



MINERAL HILL INDUSTRIES LTD.

Management Discussion and Analysis

For the nine months ended  
September 30, 2020

**Management's discussion and analysis of financial results  
For the nine months ended September 30, 2020  
Containing information up to and including October 21, 2020**

---

The following is Management's Discussion and Analysis ("MD&A") of the financial condition of Mineral Hill Industries Ltd. (the "Company" or "MHI") and the financial performance for the nine months ended September 30, 2020. This discussion and analysis should be read in conjunction with the consolidated financial statements and related notes as at, and for the nine months ended September 30, 2020 and 2019. Reference should also be made to the Company's filings with Canadian securities regulatory authorities, which are available at [www.sedar.com](http://www.sedar.com).

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee. The majority of the audit committee is comprised of independent directors who review and, prior to its publication, approve, pursuant to the authority delegated to it by the Board of Directors, this disclosure.

All amounts are in Canadian dollars unless otherwise noted and prepared in accordance with International Financial Reporting Standards ("IFRS").

**Current market conditions**

Certain global pandemic conditions causing financial uncertainties are having a negative impact on the general economic environment. As a direct result, the company is in the process of reevaluating its business direction. Access to public financing in certain industry segments is very limited especially for junior development companies. If the current market conditions continue, the Company's ability to operate may be adversely impacted and the trading price of the Company's shares could continue to be under pressure.

**Overview**

The Company is a reporting issuer in Alberta and British Columbia and its common shares are trading on the TSX Venture Exchange (the "TSXV") under the symbol "MHI" and are also co-listed on the Frankfurt quotation platform in Germany under the symbol "MLN" and OTC Markets in the USA.

Up to the end of 2014, MHI was actively engaged in the acquisition and exploration of natural resources within the mineral segment. During the years from 2014 to 2016 the Company experienced extreme difficulties in raising sufficient funds for mining exploration due to the economic climate within that sector.

During the last quarter of 2015, the Company started to investigate its alternative opportunities for the exploration of natural resources within the oil & natural gas industry as well as the possibility to combine its future interest in proprietary waste-to-energy converting technologies. After some engagement and serious due diligence of certain opportunities within that resource sector the company, in 2019, decided to change its business direction and pursue an involvement within the USA real estate industry. After receiving a substantial financing offer in connection with very valuable real estate assets qualifying for a unique UP-REIT structure, as referred to in the Company's News Releases and its year-end MD&A filed with SEDAR.ca. Some of those to be acquired assets were agricultural properties which were leased to cannabis-cultivators and dispensaries leased to retail-operators with considerable high cashflow.

On January 28, 2020, the Company signed a binding Letter of Intent ("LOI") followed by the Definitive Acquisition Agreement ("DA-Agr"). The proposed transaction would have

**Management's discussion and analysis of financial results  
For the nine months ended September 30, 2020  
Containing information up to and including October 21, 2020**

---

resulted in a reversed Takeover ("RTO") and a change of the Company's business direction as stated in its announcement of February 3, 2020.

The Company received the announced funding commitments in the amount of CAD \$2,183,381, relating to the subscription of 2,183,381 common shares at a deemed issue price of CAD \$1.00 per share.

Unfortunately, a listing application of the proposed transaction could not be finalized and submitted to the TSXV, since under the policies of the exchange, in particular publicized in a TSXV bulletin of 2017, all acquisitions generating more than maximal 10% of the Company's ancillary income from cannabis related projects would not have been approved.

**Highlights of Events**

The following are highlights of events occurring during the nine months ended September 30, 2020 and subsequent thereto:

On February 03, 2020, the Company announced the execution of the Definitive Acquisition Agreement ("DA-Agr") with Southern Colorado Real Estate Ventures Holdings LLC ("SCRH") and its negotiated private placement financings PP1, PP2, PP3 and PP4, based on a binding Letter of Intent ("LOI") announced on October 9, 2019. SCRH is incorporated under the laws of the state of Florida, USA holding real estate assets in Florida and Colorado consisting of real estate tracts and properties, assembled over the past five years and leased to RV-parks, agriculture cultivation centers and cannabis dispensaries in Florida and Colorado.

The Company designated part of the proceeds of PP1 for general working capital purposes and allocated part of the proceeds as a bridge financing to SCRH. Out of the CAD \$2,183,381 accounts, CAD \$600,000 was designated for working capital purposes. The Company advanced USD \$425,000 (CAD \$559,210) for the benefit of SCRH in order for SCRH to secure interests in various property assets.

Specifically, USD \$250,000 was advanced by the Company secured by a promissory note as a down payment for SCRH to secure a buy-out agreement for an additional 40% joint venture interest in the Lazy Lakes recreational vehicle resort in Key West, Florida; USD \$25,000 was advanced by the Company secured by a promissory note for SCRH to secure 85% of a strip shopping center on 74 Component Drive, Pueblo, Colorado; USD \$30,000 was advanced by the Company secured by a promissory note for SCRH to secure an interim lease on 74 Component Drive, Pueblo West, Colorado, 81007; and USD \$120,000 was advanced by the Company secured by a promissory note for SCRH to secure property on four farms on Galbreth Dr., Pueblo, Colorado, 81005.

As the Company's loans to SCRH for the aforementioned property deals did not receive acceptance from the TSXV and upon the TSXV's request to unwind PP1, the Company's Board of Directors, after thorough discussions between MHI's management and SCRH, resolved to unwind its announced private placement "PP1" and return all of the funds received from the PP1 investors in order to fully comply with TSXV rules and policies.

The majority of participants of MHI's initial private placement funding ("PP1"), announced on February 3<sup>rd</sup>, 2020, invested on the premise that all real estate projects, including the cannabis related properties, would become assets of the Resulting Issuer subsequent to

**Management's discussion and analysis of financial results  
For the nine months ended September 30, 2020  
Containing information up to and including October 21, 2020**

---

the TSXV approval. This could not materialize as under the policies of the exchange material acquisitions of U.S. business or assets ancillary to the Cannabis industry would not be approved.

In a press release dated May 15<sup>th</sup>, 2020 the Company announced that it had unwound the PP1 placement by returning all of the funds to the subscribers and executed a Mutual Termination Agreement with SCRH terminating the Definitive Acquisition Agreement and releasing the parties from all obligations related thereto. As part of the unwinding of the PP1 placement, promissory notes executed in connection with the USD \$425,000 (\$559,210 CAD) advanced for the benefit of SCRH were transferred to certain subscribers in the Private Placement in lieu of a return of their subscription funds.

***Overall Performance***

**Financing**

On February 27, 2018 the Company made the initial payment of US\$25,000 to the OKL Project followed by a second payment of US\$85,000 on March 28, 2018 as part of the US\$110,000 committed under the LOI executed on February 15, 2018, as initial development funds to increase production of certain producing wells within the OKL-Project identified under the DA-Agr..

As at September 30, 2018, Merfin Management Limited ("Merfin"), a private holding company, of which Dieter Peter is President, provided accumulated cash advances of \$1,002,681 that were used for property payments, general working capital in order to keep the Company in good standing and meet its administrative obligations including the required fees to regulatory bodies as well as consulting fees from 2013 to January 2014 and accrued interest for the aforementioned. The outstanding loan from Infogen Research Limited ("Infogen"), a private company controlled by Andrew von Kursell, a director of the Company, amounted to \$90,826 for providing consulting services from 2013 to February 2014. Since 2013 and 2014 Mr. Peter and Mr. von Kursell respectively provided unpaid services for their responsibilities in their capacities as Officers and Directors of the Company which was always disclosed in its financial statements.

The Company's independent Directors, acting in good faith, having approved all previous insider loans, have determined that the issuance of common shares in the capital of the Company is preferable to large and long outstanding insider loans and reasonable in the current circumstances of the Company. The issuance of those shares had no impact on the Company's share capital and was not creating a new control person. Both Merfin and Infogen showed faith in the future of the Company and investors can be assured that any future funds raised will not be used to pay off those particular outstanding insider loans.

On October 17, 2018 the Company announced that it had received TSXV approval for its submitted request dated September 25, 2018 to issue 6,468,910 common shares to Merfin Management Limited ("Merfin") and 585,975 common shares to Infogen respectively to eliminate the long outstanding insider-loans provided until September 30, 2018. The shares will have no warrants attached and the cost of \$0.155 per share was calculated based on the weighted average trading price for the previous two months.

Both, Merfin and Infogen agreed voluntary to a minimum holding period of four months from the issuance date.

**Management's discussion and analysis of financial results  
For the nine months ended September 30, 2020  
Containing information up to and including October 21, 2020**

---

On January 31, 2019 and on April 17, 2019, the Company received advances for subscriptions of \$28,000 and \$15,000 respectively.

On December 6, 2019, the Company received notice to exercise 80,000 options into common shares at a price of \$0.30 per share.

On December 16, 2019 the Company received notice to exercise 50,000 options into common shares at a price of \$0.30 per share.

As at April 20, 2020 the Company had received subscription agreements in the amount of \$2,183,421 which were returned in full by May 15, 2020 by unwinding PP1. Subscriptions received in advance in the amount of \$43,000 were re-assigned to liabilities.

During the nine months ended September 30, 2020, the Company received advances in the amount of \$237,501 from Merfin Management Limited ("Merfin") which were recorded in accounts payable.

**Results of Operations**

**Nine months ended September 30, 2020 compared to the nine months ended September 30, 2019**

Net loss and comprehensive loss for the nine months ended September 30, 2020 was \$20,338 (loss per share - \$0.00) compared to \$22,180 (loss per share - \$0.00) for the corresponding period in 2019. Being at the development stage, the Company did not generate any revenue from operations. The decrease in loss of \$1,842 was mainly attributable to:

1. an increase of \$6,287 in bank charges and interest from \$2,025 in 2019 to \$8,312 in 2020 due to mainly bank charges in connection with the private placement and accrued interest on a loan;
2. an increase of \$15,397 in shareholder information from \$1,950 in 2019 to \$17,347 in 2020 mainly due to increased number of news releases;
3. a decrease of \$2,674 in share based compensation from \$2,674 in 2019 to \$Nil in 2020 due to no new options having been granted in 2020 and 2019;
4. An increase of \$5,095 in professional fees from \$22,837 in 2019 to \$27,932 in 2020 due to increased legal cost for the REIT project.
5. An increase of \$46,372 in FX gain from \$Nil in 2019 to \$46,372 due to currency fluctuations in receiving and unwinding the private placement.

**MINERAL HILL INDUSTRIES LTD.**  
**FORM 51-901F**

**Management's discussion and analysis of financial results**  
**For the nine months ended September 30, 2020**  
**Containing information up to and including October 21, 2020**

<b>Summary of Annual Results</b>	<b>December 31 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Net revenue</b>	-	-	-
<b>Loss from operations</b>			
- in total	(17,324)	(174,903)	(358,524)
- on a per-share basis	(0.00)	(0.01)	(0.03)
- on a diluted per-share basis	(0.00)	(0.01)	(0.03)
<b>Net loss</b>			
- in total	(17,324)	(174,903)	(358,479)
- on a per-share basis	(0.00)	(0.01)	(0.03)
- on a diluted per-share basis	(0.00)	(0.01)	(0.03)
<b>Total Assets</b>	47,900	36,271	45,278
<b>Total long-term financial Liabilities</b>	-	-	-
<b>Cash dividends declared per share</b>	-	-	-

**Selected Quarterly Information**

<b>Three months ended</b>	<b>Q3 2020</b>	<b>Q2 2020</b>	<b>Q1 2020</b>	<b>Q4 2019</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>
Total assets	67,154	76,987	2,227,320	47,900	30,016	31,006	48,077	36,271
Exploration and evaluation assets	-	-	-	-	-	-	9,164	-
Working capital	(462,306)	(446,733)	1,675,527	(462,173)	(462,855)	(460,586)	(489,596)	(492,975)
Shareholders' equity	(462,016)	(446,371)	1,675,889	(461,811)	(462,667)	(460,571)	(483,837)	(486,161)
Revenue	Nil							
Net gain/(loss)	(10,958)	49,500	(58,880)	4,856	(2,096)	7,722	(27,806)	(22,092)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00	0.00	0.00

**Management's discussion and analysis of financial results**  
**For the nine months ended September 30, 2020**  
**Containing information up to and including October 21, 2020**

---

**Liquidity**

The Company's working capital and deficit positions at September 30, 2020 and December 31, 2019 were as follows:

	<b>September 30 2020 (unaudited)</b>	December 31 2019 (audited)
Working capital (deficit)	\$ (462,306)	\$ (462,173)
Deficit	\$ (18,970,851)	\$ (18,950,513)

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company has limited financial resources, has presently no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities and support from insiders. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, the commodity prices and the Company's production and exploration success. The global securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

**Capital Resources**

At September 30, 2020, there were 18,539,188 (2019: 18,409,188) common shares outstanding without par value, and a consolidated deficit of \$(18,970,851) (December 31, 2019: \$(18,950,513)), resulting in a shareholder's equity of \$(462,016) (December 31, 2019: \$(461,811)).

**Additional Disclosure for Venture Issuers without Significant Revenue**

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations and Deficit included in its condensed interim consolidated financial statements for the nine months ended September 30, 2020 which are available on SEDAR at '[www. SEDAR .com](http://www.SEDAR.com)'.

**Related Party Transactions**

During the nine months ended September 30, 2020, the Company entered into the following transactions with related parties.

The Company charged, as a recovery of office expenses, to The Eelleet Network Corp., a company related by common directors and officers, a total amount of \$1,045 (2019: 1,887).

**Management's discussion and analysis of financial results**  
**For the nine months ended September 30, 2020**  
**Containing information up to and including October 21, 2020**

***Key management personnel compensation***

For the past seven years the remuneration of key management personnel consisted solely of stock based compensation, which during the nine months ended September 30, 2020 and 2019 was as follows:

	Note	September 30, 2020	September 30, 2019
Stock based compensation	(i)	\$ Nil	\$ 1,293

(i) Stock based payments are the fair value of options granted to the Chief Executive Officer, the Chief Financial Officer and Corporate Secretary, which vest partly on grant date and partly on the first and second anniversaries of the grant date.

The following were also included to related parties in accounts payable:

	September 30 2020 (unaudited)	December 31 2019 (audited)
Andrew von Kursell, Director	\$ 9,646	\$ 9,360
Rafael Pinedo, Director until Dec 18, 2019	9,164	9,164
Merfin Management Limited	237,501	245,597
	<b>\$ 256,310</b>	<b>\$ 264,121</b>

As at September 30, 2020, the Company recognized due from related parties, being companies with common directors, of \$290 (2019 - \$(188)).

Also as at September 30, 2020, the Company held 312,500 shares of Nass Valley Gateway Ltd., a company that was related via common directors until June 2019, valued at \$39,063 (2019: \$18,930).

***Advances received from related party***

During the nine months ended September 30, 2020, the Company received advances from Merfin totaling \$237,501 (2019 - \$245,597) which were recorded in accounts payable.

**Off Balance Sheet Arrangements**

The Company does not have any off balance sheet arrangements.

**Directors and Officers**

Dieter Peter	President, CEO and Director
Andrew von Kursell	Director, Chair of Audit Committee, Interim Chief Financial Officer
Grant A Hendrickson	Director, Member of Audit Committee
Eric Peter-Kaiser	Director, Interim Corporate Secretary
Milo Filgas	Director, Member of Audit Committee

**Management's discussion and analysis of financial results**  
**For the nine months ended September 30, 2020**  
**Containing information up to and including October 21, 2020**

---

As at September 30, 2018, the Company recognized due to related parties of \$1,093,507 comprising amounts owed to two companies controlled by directors, \$1,002,681 owed to Merfin Management Limited ("Merfin") and \$90,826 owed to Infogen Research Limited ("Infogen"). These balances were subject to interest of 8.5% per annum. On October 30, 2018, the TSXV accepted the Company's proposal to settle the remaining debt of \$1,002,681 owed to Merfin with 6,468,910 common shares of the Company and the debt of \$90,826 owed to Infogen with 585,975 common shares of the Company.

During the nine months ended September 30, 2020, the Company received advances totaling \$237,501 (2019 - \$245,597) which were recorded in accounts payable

**Outstanding Share Data as at October 21, 2020**

	<b>Number of options outstanding</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Common shares	18,539,188		
<b>Common shares issuable on exercise:</b>			
Share options	531,000	0.30	October 30, 2020

As at September 30, 2020, the Company had no outstanding warrants to purchase common shares of the Company.

**Environmental Liabilities**

The Company is determined to offer in future its to be exercised rights to a very unique waste-to-clean-energy technology ("EnviroX") of its subsidiary Global Environomic Systems Corp ("GSC") in order to convert toxic emission free, agricultural and extraction and municipal waste including plastics into carbon black, bio-oil and other marketable "green" end-products. The Company may also consider to offer its EnviroX's concept to neighboring municipalities, operators or other waste producers in order to create additional jobs, income and clean energy.

**Future Developments**

The Company intends to continue considering the real estate business as a viable alternative and will follow up on real estate projects which are not ancillary in a material way to the cannabis business in order to stay in compliance with any stock exchange policies.

**Proposed Transactions**

None

**Risks and Uncertainties**

The Company had been engaged in the exploration of natural resources in the past and is still considering a change of its original business direction through careful due diligence by

**Management's discussion and analysis of financial results  
For the nine months ended September 30, 2020  
Containing information up to and including October 21, 2020**

---

establishing an experienced and knowledgeable operation team but the Company cannot assure its investors and shareholders that it will be able to operate such acquired business successfully or profitably and complete additional suitable investments resulting in attractive risk-adjusted returns to its shareholders which over the long term will generate sufficient cash flow to pay attractive dividends and generate capital appreciation.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that would include:

- the availability of opportunities for investments;
- an increase in competition to acquire suitable projects throughout the world or other adverse circumstance may make it not possible for the Company to finance additional acquisitions and/or the Company may be unable to invest its proceeds from future financings on acceptable terms;
- new laws that are unfavorable to the business of the Company's tenants may be enacted and current favorable laws related to resource or non-resource business may be modified or eliminated in the future;
- the Company is dependent on key personnel and key advisors for the success of any transaction. The departure of any of its executive officers or key personnel could have a material adverse effect on the Company's business as additional costs will be incurred to find replacements or additional availability of experts;
- the Company's growth depends to a great deal on external sources of capital, which may not be available at acceptable terms or at all. In addition, financial institutions may be reluctant to enter into lending transactions with the Company.
- the Company expects that most of its initial acquisitions will be start-up businesses and may be unable to pay development funds from operations or at all, which could adversely affect the Company's cash flow available for any distributions to its shareholders or otherwise impair the value of investments;
- compliance with environmental laws could materially increase the Company's operating expenses;

**Financial Instruments**

The Company's present financial instruments consist of cash and equivalents, marketable securities, receivables, due from related parties, accounts payable and accrued liabilities and due to related parties and, in the future, possibly corporate bonds and other financial instruments. Unless otherwise noted, it is management's opinion that the Company is presently not exposed to significant interest payments, currency or credit risks arising from these financial instruments generated from none arms-length parties.

**Credit risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents, marketable securities, receivables and contributions from related parties. The Company limits its

**Management's discussion and analysis of financial results  
For the nine months ended September 30, 2020  
Containing information up to and including October 21, 2020**

---

exposure to credit risk on liquid financial assets through maintaining its cash and equivalents and marketable securities with high-credit quality financial institutions.

Amounts due to and from related parties are discussed in Note 8 of the financial statements.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied solely upon equity financings and loans from insiders to satisfy its capital requirements and as Resulting Issuer will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates the need of additional capital in the future to finance ongoing acquisitions of real estate assets, such capital cannot be derived from the exercise of outstanding stock options, warrants but more so through the completion of additional equity financings or other financing instruments available the Company as the Resulting Issuer of the proposed transaction. The Company as Resulting Issuer may have limited or no operating income and has no assurance that additional funding or alternative financing instruments will be available to it for future acquisitions and, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and operational success of its current real estate assets. In recent years, the securities markets in Canada and globally have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in prices for qualifying projects will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

**Critical Accounting Estimates**

The preparation of consolidated financial statements requires management to make estimates and judgements that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of expenses during the reporting periods. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Actual results could differ materially from those reported.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made. Management had classified the subscriptions proceeds as liabilities until the equity related to the subscription proceeds is issued, at which time these proceeds will be reclassified as equity.

**Changes in Accounting Policies**

IFRS 16, Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee The IASB issued IFRS 16, Leases,

**Management's discussion and analysis of financial results  
For the nine months ended September 30, 2020  
Containing information up to and including October 21, 2020**

---

in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 was adopted by the Company on January 1, 2019. The adoption of IFRS 16 did not have an impact on the Company.

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

**Forward-Looking Statements**

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward-looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. These forward-looking statements are set forth principally under the heading "Property Overview" and elsewhere in Management's Discussion and Analysis and may include statements regarding perceived merit of properties; capital expenditures; feasibility study results at the Company's properties; budgets; work programs; timelines; strategic plans; or other statements that are not statement of fact. The material factors or assumptions used to develop forward-looking statements include prevailing and projected market prices and foreign exchange rates, exploitation and exploration estimates and results, continued availability of capital and financing, and general economic, market or business conditions and as more specifically disclosed throughout this document. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in fluctuations project values and currency exchange rates; uncertainties relating to interpretation of estimates of capital and operating costs and estimated economic return; the need for cooperation of government agencies in the development of project assets and the issuance of required permits; the need to obtain additional financing to develop the assets and uncertainty as to the availability and terms of future financing; the possibility of delay in development programs on in construction projects and uncertainty of meeting anticipated program

**Management's discussion and analysis of financial results  
For the nine months ended September 30, 2020  
Containing information up to and including October 21, 2020**

---

milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risks and uncertainties disclosed on the Company's other information released by the Company and filed with the applicable regulatory agencies.

The reader should not place undue reliance on these forward-looking statements. These statements reflect the Company's current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at October 21, 2020.

*"Dieter Peter"*

On behalf of the Board  
Dieter Peter, Chief Executive Officer  
October 21, 2020