

## **Minnova Corp.**

*217 Queen Street West, Suite 401, Toronto, Ontario, CANADA, M5V 0R2*

*Telephone: (647) 985-2785 Fax: (416) 361-2519*

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## **Management's Discussion and Analysis for the Year Ended March 31, 2019**

This Management Discussion and Analysis ("MD&A") of the financial condition and results of the operations of Minnova Corp. ("Minnova" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended March 31, 2019. This discussion should be read in conjunction with the audited financial statements of the Company for the years ended March 31, 2019 and March 31, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Minnova's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Minnova's website at [www.minnovacorp.ca](http://www.minnovacorp.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Financial and Operating Highlights for the Fiscal Year Ended March 31, 2019**

### **Financial Situation**

- As of March 31, 2019, the Company had a cash position of \$33,973, current liabilities of \$1,797,027 and a net loss of \$439,248. Exploration expenditures during the twelve-month period totaled \$592,608.
- Investor interest in the junior gold sector continued to lag a generally positive outlook for higher gold prices in the future. Positive investor interest combined with positive Feasibility Study and positive exploration results are fundamental to attracting addition investment.
- Management and the Board of Directors had anticipated stronger equity markets and improving interest in junior exploration and development companies during the period and were hoping to be more aggressive on exploration and PL Mine re-start initiatives. Plans are in place for a substantial technical program of resource expansion drilling, exploration drilling and surface bulk sampling to further advance and de-risk the PL Mine re-start but are on hold pending the availability of financing. Longer term, we believe we are well positioned to attract the required project development capital (Debt and equity) and our strategy will, ultimately, deliver increased shareholder value.
- On October 15, 2018, the Company entered into an option agreement with Inkarri Comercializadora Peru S.A.C., a regional toll mill operator in Peru, to acquire a 100% interest in the Media Quebrada mining concession and adjacent claim, collectively called the La Esperanza Gold Property.
- Details with respect to the consideration payable for this acquisition are as follows:

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Timing	Cash payments (US dollars)	Common share payments
On signing	\$50,000	250,000
First anniversary	\$100,000	250,000
Second anniversary	\$500,000	nil
<b>Totals</b>	<b>\$650,000</b>	<b>500,000</b>

- During the year ended March 31, 2019 122,700 warrants were exercised for gross proceeds of \$89,755 and 500,000 Options were exercised for gross proceeds of \$190,000.

### Corporate Developments

- During the quarter ended December 31, 2018 the Company announced it has entered into an option agreement with Inkarri Comercializadora Perú S.A.C., a regional toll mill operator in Peru, to acquire a 100% interest in the Media Quebrada mining concession and adjacent claim, collectively called the La Esperanza Gold Property.
- Highlights from due diligence mapping and surface and underground chip and grab sampling include:
  - Spanish era workings and production
  - 386 m of historic underground workings on 3 levels
  - 32.7 g/t Au in 0.15 m surface chip sample
  - 26.4 g/t Au in 1.00 m surface chip sample
  - 17.1 g/t Au in 1.00 m surface chip sample
  - 4.7 g/t underground grab sample
  - 1.9 g/t Au in 0.50 m underground chip sample
- The La Esperanza Property can be accessed year-round by four-wheel drive vehicle and is located approximately 46 km northeast of the coastal town of Chala in south central Peru. It is comprised of 2 contiguous concessions covering an area of 7 square kilometres at elevations between 2,350 m and 3,250 m ASL.
- The property hosts two distinct epithermal-style Au-Ag-Cu mineralized structures, the Poderosa and La Esperanza structures which can be traced in surface exposures over 2.5 kilometres. The Poderosa structure consists of a series of 1 to 3 meter wide, shear zone hosted fault-fill quartz veins at the eastern edge of the property. La Esperanza structure is 1 to 3 meters wide, characterized by vuggy quartz veins and strong phyllic alteration hosted in a steeply dipping, north-northwest striking shear zone. A plagioclase-phyric diorite dyke was observed to be associated with La Esperanza structure, indicating that magma utilized the existing structural zones during intrusion.
- Au-mineralisation at La Esperanza was originally discovered and mined on a small scale by the colonial Spanish over 200 years ago. The Pullo gold district hosts dozens of small scale, high grade mining operations supplying ore to several toll mills in the area. Daily ore production in the district is estimated at over 2,000 tonnes per day.
- During the year ended March 31, 2019 the Company continued to work toward re-starting the PL Gold Mine with ongoing project financing discussions and low budget technical programs.

### PL Gold Mine

- Management and the board of directors remain firmly committed to the future development of the PL Gold Mine. Efforts to advance the project and attract adequate funding have been intensive

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and widespread. Following the release of the positive Feasibility Study we continue to review all available project/technical data to identify areas of further capital and operating costs savings as we advance towards the re-start of the mine.

- In addition to ongoing planning aimed at further de-risking the project we are also working to expand the current gold resource at the project through;
  - Grade Enhancement - metallic screen fire assay check sample program to enhance understanding of free gold distribution and address concerns that the current resource is understating the gold grade.
  - New Discoveries - future drilling of high priority, shallow drill targets located on strike from existing PL and Nokomis Gold Deposit's that exhibit similar geological and geophysical signatures.
  - Resource Expansion - both the PL and Nokomis Gold Deposits remain open down dip.
- Based on the new mineral reserve estimate the Company completed a Feasibility Study ("2017 FS") on the re-start of the PL Gold Mine initially as an underground mine. The 2017 FS was based on only the mineral reserve estimate and supersedes the July 9, 2014 - Updated Preliminary Economic Assessment ("Updated PEA") for a proposed open pit and underground mining and milling operation at the PL mine which considered mineral resources from the PL Gold Deposit and the satellite Nokomis Gold Deposit.
- The 2017 FS considers an initial underground mine plan and on-site processing to be followed by small scale open pit mine development to maximize extraction and enhance the economics of the project.
  - 590 tpd from underground at an average diluted grade of 7.00 g/t
  - 190 tpd from open pits at an average diluted grade of 4.35 g/t
- We are committed to minimizing the long-term environmental impact of the project. As such we have factored in underground paste backfill tailing storage to reduce tailings deposition into the past used and permitted Ragged Lake Tailings Management Facility (Ragged TMF).
- The proposed re-start of the PL Gold Mine as an underground operation at a through-put rate of not more than 600tpd falls within our existing Environment Act License 1207E requirements. The future development of open pits is subject to amending the Environment Act License 1207E to include open pit mining methods.
- Highlights from the 2017 FS, which uses a long term gold price of US\$1,250 per ounce gold and USD:CAD exchange rate of \$1.30, include:
  - Pre-tax Net Present Value ("NPV") at a 5% discount rate of \$55.9 million and an Internal Rate of Return ("IRR") of 65%;
  - After-tax NPV at a 5% discount rate of \$36.7 million and IRR of 53%;
  - Proven & Probable Mineral Reserves of 259,000 ounces of gold (1.27 million tonnes at 6.34 g/t Au), a subset of the Measured and Indicated Resources of 282,500 ounces of gold (1.48 million tonnes at 5.93 g/t Au). The 2017 FS excludes Inferred Resources of 301,700 ounces of gold (1.84 million tonnes at 5.08 g/t Au)
  - After-tax payback of 1.5 years after plant start-up;
  - Minimum 5 year mine life, mining and processing 1.27 million tonnes, averaging 6.34 grams per tonne ("g/t") gold, and producing 232,463 ounces of gold;
- During the summer field season of 2017, the Company sought out and received its water license for industrial purposes.

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- In 2014 the company received clarification and confirmation from the Canadian Environmental Assessment Agency (“CEAA”) that the PL Gold Project does not require an environmental assessment as a new mine and reconfirmed that Environment Act License 1207E is in full force and effect.
- In 2014 Environment Canada (“EC”) confirmed that in order deposit tailings into the past used and licensed Ragged TMF it will require a listing on Schedule 2 of the Metal Mining Effluent Regulations (“MMER”). To achieve a Schedule 2 listing, the Company will be required to submit an Assessment of Alternatives report to determine if the Ragged TMF is in fact the best option for deposition of new tailings. The assessment will consider all possible alternatives for safe, long term tailings storage from environmental, socio-economic and technical perspectives.

### **Other Permits and Licenses currently in place include:**

Permit/License	Permit/License	Expiry Date
Environment Act License – Permit to Mine	1207E	N/A
MINING LEASE	065	1 April 2034
License to Use Water for Industrial Purposes	2017-116	5 September 2027
Crown Land Permit – Access Road Right of Way	GP0002799	31 December 2019
Crown Land Permit – Water Pipeline Right of Way	GP0003758	31 December 2019
Crown Land Permit – Access Road Right of Way	GP0004038	31 December 2019
Crown Land Permit – Mine Tailings Containment	GP0004134	31 December 2019
Casual Quarry Permit	CP-2017-1011762	31 December 2019

### **Special Note Regarding Forward-Looking Statements**

This Management’s Discussion and Analysis includes “forward-looking statements”, within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to “reserves” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this management discussion and analysis are made as of the

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date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

### **Overview and Strategic Activities**

Minnova Corp. is a publicly traded company currently focused on the near-term re-start of gold production at its 100% owned PL Mine and acquisition of other advanced, development stage - low capex near term cash flow projects. The Company was incorporated on July 19, 1994 pursuant to the laws of the Companies Act of Barbados. Since the Company's management and the principal office of the Company are located in Toronto, Ontario, a continuance (the "Continuance") of the Company from the laws of Barbados to the laws of the Province of Ontario was filed on April 21, 2010. As a result of the Continuance, the corporate legislation that governs the Company ceased to be the Barbados Act and the Company is now governed by the Business Corporations Act (Ontario). The registered office of the Company is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2. On June 26, 2014, the Company changed its name to "Minnova Corp." and commenced trading on the Toronto Stock Exchange (Tier 2 mining issuer) at the opening on June 27, 2014 under the new symbol "MCI".

The Company completed and announced positive results for a Feasibility Study on November 1, 2017. The study confirmed management's view that re-starting the PL Mine is an attractive gold development opportunity with an after-tax NPV 5% of \$36.7 million and after-tax IRR of 55% (at a long-term gold price of US\$1,250 per ounce). The Company plans to continue to advance the PL Mine towards production through ongoing technical programs to further de-risk and enhance already attractive project economics. The PL Mine has significant existing infrastructure that contributes to low initial capital, short time to production and quick payback. Infrastructure includes a 1,000 tpd flotation mill, a developed underground ramp to approximately 130 metres depth. The property is fully road accessible, has access to low cost electricity and is close to existing regional mining support infrastructure.

The Company has created a Manitoba subsidiary called Minnova Renewable Energy. We believe there is room for alternative energy, as part of our overall energy demand requirements at the PL Gold Mine. The re-start of the PL Gold Mine represents a unique opportunity for sustainable job creation beyond planned mining operations and gold production.

Minnova Renewable Energy will review all available proven green energy technologies and if warranted incorporate them into the PL Mine re-start plan. Sustainable energy technologies to be reviewed include:

- (1) biomass power generation
  - (a) including log-yard and logging operation to harvest local fire-kill wood for fuel for the biomass system
  - (b) including utilizing waste heat generation for ancillary greenhouse operation to grow food for the mine camp
- (2) lake-based geothermal mining camp heating and cooling system

Planned studies will seek to combine existing mine site and other regional infrastructure, including; power transmission lines, all weather roads, underutilized railway infrastructure and significant harvestable resources. During the period ended March 31, 2019 we met with several consulting groups, experienced in biomass power generation construction and operations. Our goal is to engage one or more consultants to oversee the various technical and economic studies required to advance our biomass initiative.

The regional economy lacks industry and sustainable employment opportunities Minnova hopes to promote job creation by developing a biomass energy plant that utilizes the region's abundant harvestable resources under a sustainable forestry management plan.

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The Company has created a Peruvian Subsidiary called Minnova Peru SAC. We believe there are opportunities to rapidly advance the La Esperanza Property to small scale production under existing small-scale mining permits and look at other properties and operating mines in the region for possible option/joint venture or purchase. The corporate objective is to achieve cash flow from small-scale operations that can re-invested in work programs targeting the potential for a one-million-ounce plus gold resource.

### Mineral Properties

Minnova's exploration activities are at an early stage, and it has not yet been determined whether its properties contain an economic mineral reserve. Any activities of Minnova will constitute exploratory searches for minerals. See "Risks and Uncertainties" below.

#### PL Gold Mine

On October 8, 2010, Minnova completed the acquisition of the past-producing PL Gold Mine (the "PL Mine") and interests in the adjacent Nokomis property from Pioneer Metals ULC ("Pioneer"). The purchased properties together with staked properties are collectively called the PL Gold Project (the "PLP") and are all located 50 km northeast of the town of Flin Flon, Manitoba. Pioneer is a wholly-owned subsidiary of Barrick Gold Corporation ("Barrick"). Past gold production on the PLP amounted to just over 28,000 ounces in 1988 and 1989. Under the agreement, Minnova acquired 100% of Pioneer's interest in the PL Mine subject to a 3% Net Smelter Royalty ("NSR") that reduces to 2.5% and 2% if gold is below US\$1,000/oz. and US\$750/oz., respectively. The agreement also provided for the acquisition of Pioneer's 54% interest in the adjacent Nokomis property. In consideration of the acquisitions, Minnova:

- made total payments of \$2.5 million; and
- issued stock to Pioneer valued at \$1.0 million.

On November 22, 2011, the Company completed the acquisition of the remaining 46% minority interest in the Nokomis property from Claude Resources Inc. ("Claude"). The property is located less than 8 kilometers northeast of the existing mine and mill infrastructure on the PLP, near Flin Flon, Manitoba.

The PL Gold Mine features a 1,000 tonne-per-day mill and concentrator in excellent condition, a deposit developed by a 7,000 meter ramp to a depth of approximately 135 meters, and infrastructure related to the past-producing mine. In November 2017, Minnova updated the NI 43-101 mineral resource and reserve estimate for the former producing PL Gold deposit (the "PL Deposit").

Drilling to the end of June 30, 2017, has resulted in optimized in-pit and underground Measured & Indicated mineral resources totaling 282,500 ounces gold and Inferred mineral resources totaling 301,700 ounces gold. The resource was estimated by CSA Global Pty Ltd. using the results from over 416 historical drill holes by previous operators and 154 holes drilled by Minnova since December 2010.

#### PL Gold Deposit, Mineral Resource Estimate November 2017

Category	Au Cut-off (g/t)	Tonnes (Kt)	Au Grade (g/t)	Contained Au oz
Measured	2.5	425	7.53	102,900
Indicated	2.5	1,056	5.29	179,600
<b>M+I</b>	<b>2.5</b>	<b>1,481</b>	<b>5.93</b>	<b>282,500</b>
Inferred	2.5	1,846	5.08	301,700

Notes PL and Nokomis Deposits:

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1. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.
2. The PL and Nokomis NI 43-101 mineral resource estimate were prepared by Leon McGarry, B.Sc., P.Geo., of CSA Global Pty Ltd.
3. The NI 43-101 compliant mineral resources in this disclosure were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
4. The volume of the historical mined areas was depleted from the resource estimate.
5. Grade capping values range from 30 to 45 g/t Au and affected 16 samples.
6. Bulk densities of 2.81 t/m<sup>3</sup> were used for tonnage calculations.
7. A gold price of US\$1,250/oz and an exchange rate of US\$0.80=C\$1.00 was utilized in the Au cut-off grade calculations of 2.5 g/t underground. Operating costs of C\$125/t. Process recovery used was 95%.
8. Tonnes and ounces have been rounded to reflect the relative accuracy of the mineral resource estimate; therefore numbers may not total correctly.
9. Mineral Resource tonnes quoted are not diluted.
10. Mineral resources are not mineral reserves and by definition do not demonstrate economic viability. This mineral resource estimate includes inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated resource categories through further drilling, or into mineral reserves, once economic considerations are applied.
11. 1 troy ounce equals 31.10348 grams.

The updated mineral resource estimate is the basis of an inaugural mineral reserve estimate completed by A-Z Mining Professionals Ltd. All mineral reserves are proven and probable mineral reserves. Both the mineral resource and mineral reserve estimates take into consideration on-site operating costs (e.g. mining, processing, site services, general and administration, royalties), metallurgical recoveries, and selling costs. In addition, the reserves incorporate allowances for mining recovery and dilution, and overall economic viability.

## PL Gold Deposit, Mineral Reserve Estimate November 2017

Category	Diluted Tonnes (Kt)	Au Grade (g/t)	Contained Au (Koz)
<b>Underground</b>			
Proven	367	7.77	92
Probable	586	6.51	123
<b>Open Pits</b>			
Proven	87	4.71	13
Probable	226	4.21	31
<b>Total Proven and Probable</b>	<b>1,266</b>	<b>6.34</b>	<b>259</b>

1. Using a gold price of US\$1,250/oz and an exchange rate of US\$0.77 to CDN\$1.00.
2. A gold cut-off grade of 4.0 g/t for underground mining and 2.7 g/t for open pit mining.
3. Rounding as required by reporting guidelines may result in summation differences.

New mineral reserve and resource estimates were in support of the 2017 FS which was completed by A-Z Mining Professionals Ltd and announced on November 1, 2017. The mine plan developed for the Feasibility Study considers the re-opening of the PL Gold Mine initially utilizing underground mining techniques as the environmental permits for this type of mining are already in effect and valid. The future development of open pits has been factored in and is subject to amending existing Environment Act License 1207E to include open pit mining methods. The mine plan incorporates only the mineral reserves from the PL Gold Deposit. It does not include any mineral resources from the PL Gold Deposit or the satellite Nokomis deposit.

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### 2017 Feasibility Study vs July 2014 Preliminary Economic Assessment

	July 2014 PEA	November 2017 FS
Gold Price (US\$/oz)	\$1,300	<b>\$1,250</b>
CAD:US\$ Exchange Rate	1.05	<b>1.30</b>
Pre-tax NPV <sub>5%</sub> (C\$M)	\$97.70	<b>\$46.82</b>
Pre-tax IRR	59%	<b>65%</b>
After-tax NPV <sub>5%</sub> (C\$M)	\$83.30	<b>\$36.70</b>
After-tax IRR	55%	<b>53%</b>
After-tax payback (years)	1.5	<b>1.5</b>
Payable Gold Production (ounces)	483,000	<b>232,463</b>
Mine Life	11	<b>5</b>
Underground Grade (g/t)	7.26	<b>7.00</b>
Underground Production (million tonnes)	1.98	<b>0.95</b>
Open Pit Grade (g/t)	4.41	<b>4.35</b>
Open Pit Production (million tonnes)	0.56	<b>0.31</b>
Cash Operating Cost (US\$/oz)	\$798	<b>\$715</b>
AISC (US\$/oz)	\$1,003	<b>\$942</b>
Pre-Production Capex (C\$M)	\$26.30	<b>\$35.35</b>
Sustaining Capital and Closure Costs (C\$M)	\$29.50	<b>\$54.16</b>

### PL Property, Deferred Exploration Expenditures Summary

Exploration Expenditures	Year Ended March 31, 2019 \$	Year Ended March 31, 2018 \$
Beginning balance	15,299,846	13,454,740
Geology	287,607	1,934,961
Mining asset retirement	76,078	(89,855)
Exploration expenditures	363,685	1,845,106
Total	15,663,531	15,299,846

The Company has provided a letter of credit in the amount of \$75,000 to the Government of Manitoba under the terms of the Closure plan on the PL property. The Company further provided all assets, goods and personal property involved in the operation of the PL property, as a security of up to \$5,000,000 for the performance of the Closure plan and the rehabilitation program.

The Company's provision for closure and reclamation costs are based on management's estimates of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the

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costs to be incurred. The Company has estimated its total provision for closure and reclamation to be \$3,078,83 at March 31, 2019, based on a total future liability of approximately \$3,073,000 and at an inflation rate of 1.65% and a discount rate of 1.62%. Reclamation is expected to occur in approximately 10 years.

The following is an analysis of the provision for closure and reclamation:

	Year Ended March 31, 2019 \$	Year Ended March 31, 2018 \$
Beginning balance	2,940,254	2,971,239
Effect of changes in inflation and discount rate	76,078	(89,855)
Accretion incurred in the year	62,502	58,870
Expenditure for the period	138,580	(30,985)
Total	3,078,834	2,940,254

### ***Nokomis Property***

The October 2011 agreement with Pioneer provided for the acquisition of Pioneer's 54% joint venture interest in the Nokomis property. This property comprises approximately 2,200 hectares and is located north east of, and is contiguous with, the PL property.

On November 22, 2011, the Company completed the acquisition of the remaining 46% minority interest in the Nokomis property from Claude. Under the terms of acquisition, the Company issued to Claude, 342,857 common shares of the Company.

During the year ended March 31, 2014, the Company completed a survey of drill hole collars for drill holes that were drilled in fiscal 2012. The geology of the property was also reviewed and re-interpreted by examination and re-logging of previously drilled holes. As such expenditures were relatively low for the year ended March 31, 2013.

Drilling by the Company and previous operators supported an initial NI 43-101 resource estimate for the Nokomis Deposit that was published on April 17, 2014.

### **Nokomis Gold Deposit, Mineral Resource Estimate April 2014**

	Category	Au Cut-off g/t	Tonnes	Au (g/t)	Contained Au ounces
In-Pit	Indicated	0.6	371,000	3.41	40,700
	Inferred	0.6	247,000	2.41	19,100

*See Resource Estimate Notes above.*

On July 9, 2014 the Company completed a positive Updated PEA for a proposed open pit and underground mining and milling operation at the PL mine incorporating mineral resources from the PL Gold Deposit and the satellite Nokomis Gold Deposit. A combined open pit and underground mine plan and on-site processing at a rate of up to 900 tpd were selected to improve the economics of the project. The Nokomis

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Deposit is scheduled to come into production in year 3 of the mine life and contribute approximately 28,000 ounces of gold production until depletion in year 5. Minnova has not initiated the permitting process for the proposed Nokomis pit production but anticipates it can successfully permit the satellite deposit production as outlined in the Updated PEA.

### Nokomis Deposit Deferred Exploration Expenditures Summary

Exploration Expenditures	Year Ended March 31, 2019 \$	Year Ended March 31, 2018 \$
<b>Beginning balance</b>	<b>2,781,772</b>	<b>2,704,117</b>
Geology	22,500	77,655
<b>Exploration expenditures</b>	<b>22,500</b>	<b>77,655</b>
<b>Total</b>	<b>2,804,272</b>	<b>2,781,772</b>

### ***La Esperanza Property, Peru***

On October 11, 2018, the Company entered into an option agreement with Inkarri Comercializadora Perú S.A.C., a regional toll mill operator in Peru, to acquire a 100% interest in the Media Quebrada mining concession and adjacent claim, collectively called the La Esperanza Gold Property.

Details with respect to the consideration payable for this acquisition are as follows: on signing: cash payments of US\$50,000 (paid) and common shares payments of 250,000 (issued); first anniversary: cash payments of US\$100,000 and common shares payments of \$250,000 and second anniversary: cash payments of US\$500,000.

During the year ended March 31, 2019 the Company completed initial surface and underground mapping and sampling. Results were positive and identified two two distinct epithermal-style Au-Ag-Cu mineralized structures, the Poderosa and La Esperanza structures which can be traced in surface exposures over 2.5 kilometres. The Poderosa structure consists of a series of 1 to 3 meter wide, shear zone hosted fault-fill quartz veins at the eastern edge of the property. La Esperanza structure is 1 to 3 meters wide, characterized by vuggy quartz veins and strong phyllic alteration hosted in a steeply dipping, north-northwest striking shear zone.

Highlights from initial mapping and surface and underground chip and grab sampling include;

- Spanish era workings and production
- 386 m of historic underground workings on 3 levels
- 32.7 g/t Au in 0.15 m surface chip sample
- 26.4 g/t Au in 1.00 m surface chip sample
- 17.1 g/t Au in 1.00 m surface chip sample
- 4.7 g/t underground grab sample
- 1.9 g/t Au in 0.50 m underground chip sample

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### La Esperanza Deferred Exploration Expenditures Summary

Exploration Expenditures	Year Ended March 31, 2019 \$	Year Ended March 31, 2018 \$
Beginning balance	nil	nil
Geology	220,321	nil
Exploration expenditures	220,321	nil
Total	220,321	nil

### Selected Annual Information

The following table set out highlights of the Company's financial results together with selected statements of financial position information for the years ended March 31, 2019, 2018 and 2017.

Years ended March 31	2019 \$	2018 \$	2017 \$
Current Assets	\$161,950	\$342,189	\$1,368,265
Non-Current Assets	19,050,777	18,472,342	16,582,363
Liabilities	4,875,861	4,993,735	4,966,614
Equity	14,336,866	13,820,796	12,984,014
Non-Current Liabilities	3,078,834	2,940,254	2,971,239

Years ended March 31	2018 \$	2017 \$	2016 \$
(Loss) per year	(439,248)	(1,613,263)	(706,831)
(Loss) per share	(0.01)	(0.07)	(0.04)
Dividend	-	-	-

### Selected Quarterly Information

Three Months Ended	Net Revenues (\$)	Net Income (Loss)		Total Assets (\$)
		Total (\$)	Per Share (Basic and Diluted) (\$)	
2019-March 31	-	(58,248)	(0.00)	19,212,727
2018-December 31	-	(101,980)	(0.00)	18,959,663

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2018-September 30	-	(88,132)	(0.00)	18,835,487
2018-June 30	-	(190,888)	(0.01)	19,317,492
2018-March 31	-	200,230	0.00	18,814,531
2017-December 31	-	(446,710)	0.00	18,758,642
2017-September 30	-	(297,620)	0.00	17,577,855
2017-June 30	-	(386,335)	(0.01)	17,738,252
2017-March 31	-	(625,336)	(0.03)	17,950,628
2016-December 31	-	114,991	0.00	18,294,680
2016-September 30	-	(134,242)	(0.01)	14,991,315
2016-June 30	-	(968,676)	(0.05)	15,148,546

## **Results of Operations**

### **Year Ended March 31, 2019, compared with Year Ended March 31, 2018**

Minnova's net loss totaled \$439,248 for the twelve months ended March 31, 2019, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$930,345 with basic and diluted loss per share of \$0.03 for the twelve months ended March 31, 2018. The decrease of \$491,097 in net loss was principally due to:

- Stock based payments for the year ended March 31, 2019, of \$298,314 was lower compared to \$342,279 for the year ended March 31, 2018;
- Professional and consulting fees for the year ended March 31, 2019, of \$159,243 were lower than the \$204,181 for the year ended March 31, 2018, due to decrease use of consultants to assist in increased technical programs.
- General and administrative expenses for the year ended March 31, 2019, were \$160,224, which was lower than the \$359,131 for the year ended March 31, 2018 due to lower salaries and benefits and office and general.

### **Three Months Ended March 31, 2019, compared with Three Months Ended March 31, 2018**

Minnova's net loss totaled \$58,248 for the three months ended March 31, 2019, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$200,230 with basic and diluted loss per share of \$0.00 for the three months ended March 31, 2018. The decrease of \$141,982 in net loss was principally due to:

- Stock-based payments of \$298,314 for the three months ended March 31, 2019 compared to (\$109,714) for the three months ended March 31, 2018. The increase was due to the option grants during the year.
- General and administrative was \$61,861 for the three months ended March 31, 2019 compared to \$55,945 for the three months ended March 31, 2018.
- Reversal of flow-through premium liability was \$nil for the three months ended March 31, 2019 compared to \$12,882 for the three months ended March 31, 2018.

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### Liquidity and Capital Resources

This section should be read in conjunction with the audited statements of financial position for the years ended March 31, 2019 and 2018, and the corresponding notes thereto.

The activities of the Company are principally the acquisition and exploration of mineral properties. The Company's financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company currently has no revenue to finance its operations and it is therefore required to fund its activities through the issuance of equity securities and other financing alternatives. The Company's ability to continue as a going concern is therefore dependent upon its ability to raise funds.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$9,992,654. As at March 31, 2019 the Company had cash of \$33,973 to settle current liabilities of \$1,797,027.

To continue operations and to fund future obligations, the Company will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available. During the year-ended March 31, 2019, the Company did not carry out any equity financings. There can be no assurance that the Company will be successful in its future fund-raising activities. See "Risks and Uncertainties" below.

The Company relies on issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data about what the Company manages as capital:

	March 31, 2019 \$	March 31, 2018 \$	Change \$
Current Assets	161,950	342,189	(180,239)
Share capital	21,008,745	20,406,831	601,914
Share based payment reserve	3,057,400	2,999,687	57,713
Deficit	(9,992,654)	(9,585,722)	(406,932)

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations, including its flow-through obligations, and its exploration program. To manage the Company's capital, given the recent economic conditions, management has streamlined operational costs and is preserving cash to the extent possible, while exploring means of raising additional funds as and when required.

As at March 31, 2019, the Company had working capital deficit of \$1,635,077 compared to working capital deficit of \$1,711,292 as at March 31, 2018. Management believes that additional financing will be available to discharge current liabilities.

Amounts receivables were \$127,977 at March 31, 2019 and consisted of HST/GST input tax credit claims compared to \$188,627 as at March 31, 2018. The decrease is mainly due to decreased level of HST/GST input tax credit claims during the year ended March 31, 2019. Amounts payable and accrued liabilities, which are expected to be paid in the normal course of business, were collectively \$1,519,494 at March 31, 2019, compared to \$1,775,948 at March 31, 2018.

#### Cash used in operating activities

Cash provided by operations was \$406,473 for the year ended March 31, 2019, compared to cash used in

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operations of \$847,441 for the year ended March 31, 2018. The decrease of \$1,253,914 in cash used in operations is due to higher non-cash items including stock-based compensation, debt settlement and change in net working capital.

### **Cash used in investing activities**

Cash used in investing activities was \$592,608 for the year ended March 31, 2019, compared to cash used in investing activities of \$1,393,501 for the year-ended March 31, 2018. The decrease of \$800,893 in cash used in investing activities is due to decreased level of deferred exploration expenditures for the year-ended March 31, 2019.

### **Cash from financing activities**

The Company received net proceeds of \$146,755 from the exercise of stock options and warrants in the year ended March 31, 2019 as compared to proceeds of \$1,440,760 cash raised during the year ended March 31, 2018. The decrease of \$1,294,005 in cash from financing activities is due primarily to a decrease in work program funding requirements during a period of low investor interest.

## **Shares Issued and Outstanding**

As of the date of this MDA, the issued and outstanding common shares of the Company totaled 32,271,316 and Nil share purchases warrants and Nil broker warrants outstanding. In addition, a total of 2,625,000 stock options have been granted to purchase common shares of the Company. As of the date of this MD&A, stock options consisted of:

<b>Number of Stock Options Outstanding</b>	<b>Exercise Price (\$)</b>	<b>Expiry date</b>
725,000	0.40	September 26, 2019
225,000	0.36	March 1, 2021
250,000	0.75	July 25, 2021
425,000	0.85	January 22, 2022
1,000,000	0.43	January 31, 2024
<b>2,625,000</b>		

### **Financings**

Please refer to Corporate Development section on page 2 for financings completed during the year ended March 31, 2018.

## **Related Party Transactions**

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

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(a) The Company entered into the following transactions with related parties:

	Twelve Months ended March 31,	
	2019 \$	2018 \$
Irwin Lowy LLP <sup>(i)</sup> - professional and consulting fees	6,861	68,777

(i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and the fees relate to professional services provided by the firm. As at March 31, 2019, the Company owed \$8,917 (2018 - \$nil) to this firm and this amount is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(b) Remuneration of Directors of the Company was as follows:

Directors	Twelve Months Ended March 31, 2019			Twelve Months Ended March 31, 2018		
	Fees <sup>(i)</sup> \$	Stock Options \$	Total \$	Fees \$	Stock Options \$	Total \$
Gorden Glenn	12,000	149,157	161,157	18,000	nil	18,000
Brian Robertson	12,000	17,899	29,899	16,000	nil	16,000
Chris Irwin	12,000	17,899	29,899	16,000	nil	16,000
James White	12,000	17,899	29,899	16,000	nil	16,000
<b>Total</b>	<b>48,000</b>	<b>202,854</b>	<b>250,854</b>	<b>66,000</b>	<b>nil</b>	<b>66,000</b>

Director fees - the board of directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services.

(i) In 2019 and 2018, cash fees payable to directors have not been paid and have been accrued. On January 31, 2019 the Company announced debt settlements of up to C\$500,000 of which \$305,914 was made in settlement of all accrued and outstanding Directors fees. As at March 31, 2019, the Company owed \$nil (2018 - \$257,914) to directors and this amount is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment. See subsequent events.

(c) Remuneration key management personnel of the Company were as follows:

Officers	Twelve Months Ended March 31, 2019			Twelve Months Ended March 31, 2018		
	Fees \$	Stock Options \$	Total \$	Fees \$	Stock Options \$	Total \$
Gorden Glenn - CEO <sup>(1)</sup>	240,000	149,157	389,157	240,000	nil	240,000
<b>Total</b>	<b>240,000</b>	<b>149,157</b>	<b>389,157</b>	<b>240,000</b>	<b>nil</b>	<b>240,000</b>

Salaries and benefits - officers are entitled to stock options, consulting fees and salaries and benefits where

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employment or service contracts are in place with the Company for their services.

- (i) In 2018 and 2019 cash fees paid to a corporation controlled by the CEO of the Company were \$100,900 and \$135,600 (inclusive of HST) respectively and the balance of the contracted amounts have been accrued. As at March 31, 2019, the Company owed \$400,654 (2018 - \$454,587) to a corporation controlled by the CEO of the Company and this amount is included in accounts payable and accrued liabilities. During the year ended March 31, 2019, \$180,000 (2018 - \$150,000) of these fees was recorded as capitalized exploration and evaluation costs and \$60,000 (2018 - \$90,000) was recorded in management and directors' compensation on the statements of operations and comprehensive loss. During the year ended March 31, 2019, the Company wrote off \$280,000 debt owed to the corporation controlled by the CEO.

### **Significant Accounting Judgments and Estimates**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

#### **Assets' Carrying Values and Impairment Charges**

In the determination of carrying values and impairment charges, management looks at the higher of the recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

#### **Capitalization of Exploration and Deferred Exploration Expenditure**

Management has determined that exploration properties and deferred exploration expenditure incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 8 to financial statements for the year ended March 31, 2018 for details of capitalized exploration properties and deferred exploration expenditure.

#### **Mineral Reserve Estimates**

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data

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and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operations.

### **Impairment of Exploration Properties and Deferred Exploration Expenditures**

While assessing whether any indications of impairment exist for exploration properties and deferred exploration expenditures, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration properties and deferred exploration expenditures. Internal sources of information include the manner in which exploration properties and deferred exploration expenditures are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after tax cash flows expected to be derived from the Company's exploration properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write down of the carrying amounts of the Company's exploration properties and deferred exploration expenditures.

### **Estimation of Decommissioning and Restoration Costs and the Timing of Expenditures**

The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

### **Income Taxes and Recoverability of Potential Deferred Tax Assets**

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

### **Share Based Payments**

Management determines costs for share based payments using market-based valuation techniques. The

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fair value of the market based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made, and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

### **Changes in Accounting Policies**

See Note 3 in the Financial Statements.

### **Future Accounting Changes**

See Note 3 in the Financial Statements.

### **Financial Instruments**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the year ended March 31, 2019.

#### **Credit Risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and restricted cash equivalents. Restricted cash equivalents consist of a GIC which have been invested with a reputable Canadian financial institution. The Company does not hold any non-bank asset backed commercial paper. Management believes that the credit risk concentration with respect to its financial instruments is remote.

#### **Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company did not have sufficient cash and cash equivalents to settle current liabilities of \$1,797,027. Management believes that additional financing will be available to discharge current liabilities.

Most of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

#### **Interest Rate Risk**

The Company has cash and cash equivalents balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The debentures bear fixed interest rates and therefore are not subject to interest rate risk. Currently, the Company does not hedge against interest rate risk.

#### **Foreign Currency Risk**

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk.

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### **Commodity Price Risk**

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to precious and base metals to determine the appropriate course of action to be taken by the Company. Management believes commodity price risk to be remote as the Company is not a producing entity.

### **Fair Value**

The Company has, for accounting purposes, designated its cash and amounts receivable as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As at March 31, 2019, the Company did not have any financial instruments carried at fair value. As of March 31, 2019, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent because of the limited term of these instruments.

### **Managing Capital**

The Company manages its capital with the following objectives:

- to ensure sufficient flexibility to achieve the ongoing business objectives including funding of future resource based exploration and investment initiatives; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties for the mining of gold. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be total shareholders' equity (managed capital) which at March 31, 2019 totaled \$14,336,866 (2018 - \$13,820,796).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, as well as other investing and financing activities. The forecast is regularly updated based on activities related to the acquisition, exploration and development of its mineral properties. The Board of Directors regularly reviews the Company's capital management approach. The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2019.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of March 31, 2019, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

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### Commitments and Contractual Obligations

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to cleanup costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees. The Company has not determined, and is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take. The Company has provided a letter of credit in the amount of \$75,000 to the Government of Manitoba under the terms of the Closure Plan on the PL property. The Company further provided all assets, goods and personal property involved in the operation of the PL property, as a security of up to \$5,000,000 for the performance of the Closure Plan and the rehabilitation program.

The following table sets out as at March 31, 2019, the Company's known contractual obligations and the estimate time horizon for their repayment.

Contractual Obligations	Payments due by period				
	Total	<1 year	1-3 years	3-5 years	>5 years
Closure and reclamation	\$3,073,000	-	-	-	\$3,073,000
<b>Total</b>	<b>\$3,073,000</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>\$3,073,000</b>

The Company is party to a management contract. This contract contains clauses requiring additional payments of up to \$480,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not occurred, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under the agreement are approximately \$480,000, of which \$240,000 is due within one year.

### Risks and Uncertainties

#### Mining Industry

The exploration for, development and mining of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size, grade and proximity to infrastructure, and metal prices which are highly cyclical, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may

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result in the Company not receiving an adequate return on invested capital.

The Company's activities are directed towards the extraction of ore and the search, evaluation, development and mining of future mineral deposits. Several of the mineral properties in which the Company has an interest contain no known body of commercial ore and any exploration programs thereon are exploratory searches for ore, while other properties in which the Company has an interest are subject to preliminary stages of exploration and development programs only. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of further commercial quantities of ore.

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than Minnova will have, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

### **Government Regulation**

The exploration and development activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration and development activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and development, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

### **Permits and Licenses**

On May 12, 2012 the Company notified Manitoba Conservation and Water Stewardship that it had acquired the assets of Pioneer Metals, namely the PL Gold Mine and its associated Environment Act License No. 1207E. The Provincial Ministry was also notified of our intent to re-start operations and comply in all

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respects with the water quality limits, sampling and reporting criteria set out in the Metal Mines Effluent Regulation ("MMER"). On May 17, 2012 the Ministry confirmed our Environmental License was in good standing to re-start mining operations and noted our duty to comply with all criteria set out in the MMER.

Mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to the Company or, if they are issued, that they will be renewed, or that the Company will be in a position to comply with all conditions that are imposed. Nearly all mining projects require government approval. There can be no certainty that these approvals will be granted to the Company in a timely manner, or at all.

### **Environmental Risks and Hazards**

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Production at mineral properties may involve the use of dangerous and hazardous substances. While all steps will be taken to prevent discharges of pollutants into the ground water and the environment, the Company may become subject to liability for hazards that cannot be insured against.

### **Commodity Prices**

The future profitability of the Company will be directly related to the market price of metals. Metal prices fluctuate considerably and are affected by numerous factors beyond the Company's control, such as industrial demand, inflation and expectations with respect to the rate of inflation, the strength of the U.S. dollar and of other currencies, interest rates, forward sales by producers, production and cost levels and changes in investment trends. If these prices were to decline significantly or for an extended period of time, the Company might be unable to continue its operations, develop its properties or fulfill its obligations under its agreements with its partners or under its permits and licenses. As a result, the Company might lose its interest in, or be forced to sell, some of its properties. In the event of a sustained, significant drop in metal prices, the Company may be required to re-evaluate its assets, resulting in reduced estimates of reserves and resources and in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges. Furthermore, since metal prices are established in US dollars, a significant increase in the value of the Canadian dollar relative to the US dollar, coupled with stable or declining metal prices, could adversely affect the Company's results with respect to development of, and eventual sale of these metals.

### **Failure to Achieve Exploration Target and Cost Estimates**

The Company prepares future exploration and capital cost estimates. Actual exploration and costs may vary from the estimates for a variety of reasons such as adverse weather conditions, unexpected labour shortages or strikes, equipment failures and other interruptions in development capabilities. Exploration and development costs may also be affected by increased mine development costs, increases in drilling costs, labour costs, raw material costs, inflation and fluctuations in currency exchange rates. Failure to

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achieve exploration and development targets or cost estimates could have a material adverse impact on our cash flow and overall financial performance.

### **Share Price Fluctuations**

The market price of securities of many companies experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in Minnova's share price will not occur.

### **Conflicts of Interest**

Certain directors of the Company also serve as directors and/or significant shareholders of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors to be in a position of conflict. In the event that a director or executive officer has a material interest in any transaction being considered by the Company, any such conflict will be subject to and governed by procedures prescribed by the Business Corporations Act (Ontario) (the "OBCA") which require a director or officer of a corporation experiencing such a conflict to disclose his interest and refrain from voting on any such matter unless otherwise permitted by the OBCA. In addition, Section 134 of the OBCA provides that every director must act honestly and in good faith with a view to the best interests of the Company. Section 134 is a formalization of the fundamental fiduciary duty that a director has to the corporation and encompasses, among other obligations, a duty of loyalty and a duty of confidentiality. As a fiduciary, a director may not interfere with, or take advantage of, any opportunities that rightfully belong to the Company. That a director may represent a specific shareholder of the Company does not relieve the director from fulfilling his fiduciary duty to the Company. If such director was to take any action which preferred the interests of a third party to the interests of the Company, such director would be liable to the company for a breach of his fiduciary duty, regardless of any legal duties which such director may have to the third party.

### **Land Title**

Although title to the Company's mineral properties has been reviewed by or on behalf of the Company and title opinions were delivered to the Company, no assurances can be given that there are no title defects affecting the properties. Title insurance generally is not available for mining claims in Canada, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of all the claims in which it holds direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. Accordingly, the properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its properties.

### **Requirement of Additional Financing**

The continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing or the joint venturing of projects or other means. No assurance can be given that the Company will be successful in obtaining the required financing on acceptable terms, if at all.

### **Dependence on Personnel**

The Company's ability to manage growth effectively will require the Company to continue to implement and improve the Company's management systems and to recruit and train new employees. Although the Company has done so in the past, the Company cannot assure that it will be successful in attracting and re-

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training skilled and experienced personnel.

### **Off Balance Sheet Items**

There are no off balance sheet items.

### **Proposed Transactions**

The Company does not currently have any proposed transactions approved by the Board of Directors.

### **Outlook**

Minnova remains focused on the successful re-start of gold production at the past producing PL Mine and continues to de-risk the project through a series of technical programs including detailed infill drilling and discussions with equipment manufacturers and independent geological and engineering consultants on applicable mechanized mining methods. During the quarter ended December 31, 2017 we achieved another major milestone with the completion of; i) updated resource estimate, ii) inaugural reserve estimate and iii) a positive Feasibility Study. The study confirmed management's expectations that the PL Mine re-start is a robust project with a low initial capital requirement, low cash operating costs, quick payback and a minimum mine life of 5 years based on only the proven and probable reserves. We continue to review, refine and optimize this plan in support of ongoing financing discussions to fund the re-start of gold production. We are actively engaged in discussions with existing supportive shareholders, new investors and lenders to identify the optimal funding structure for the project.

Together the PL and Nokomis gold deposits support mineral resources amenable to open pit and underground mining methods that include Measured and Indicated mineral resources totaling 327,900 ounces of gold and Inferred mineral resources of 438,600 ounces of gold.

Our re-start plans benefit greatly from the fact that major infrastructure for the project is already in place and includes; access to low cost grid power, a 1,000 tpd mill, 7,000 meters of underground development to a depth of 140 meters and our existing Environment Act License No. 1207E. With adequate, well structured, funding in place we believe the PL Mine can deliver significant value to our shareholders and position the company for future growth.

During the year we also diversified our company with the addition of the La Esperanza high-grade gold property in Peru. The property host historical small-scale production and high-grade gold assays from surface mapping and sampling programs completed during the year. Our objective for calendar 2019 is to initiate small-scale bulk sampling programs on known high grade vein targets and sell these bulk samples to local toll mills for processing, using the net proceeds to re-invest in surface mapping and drill programs targeting a one million ounce plus high grade gold resource.

Our business model is committed to putting shareholder returns first and we will continue to seek out and review other advanced, development stage – low capex, resource projects that we can apply our business model to.

### **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and Interim Chief Financial Officer ("CFO"), on a timely basis so that appropriate decisions can be made to facilitate full and timely disclosure to the public.

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An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was conducted March 31, 2018, by and under the supervision of management, including the CEO and Interim CFO. Based on this evaluation, the CEO and CFO have concluded that disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time periods specified in those rules.

Because of inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Audit Committee of the Company has reviewed this MD&A, and the financial statements for the year ended March 31, 2019, and the board of directors approved these documents prior to their release.

### Additional Disclosure for Venture Corporations

	Twelve Months Ended March 31,	
	2019 \$	2018 \$
Business development	68,347	255,999
Salaries and benefits	32,670	17,713
Office and general	15,757	8,507
Shareholder information	5,935	15,324
Stock exchange and transfer agent fees	26,165	32,821
Travel	11,350	28,767
<b>Total</b>	<b>160,224</b>	<b>359,131</b>

### Subsequent Events

Subsequent to March 31, 2019, the Company has received conditional approval from the TSXV to settle an aggregate of \$500,000 in debt with arm's length and non-arm's length parties with the issuance of 1,111,111 shares valued at \$0.45 per share. Settlement included 574,441 shares in settlement of all outstanding directors' fees.

*"Signed Gordon Glenn"*

Gorden Glenn  
Chief Executive Officer  
July 26, 2019

*"Signed Christopher Irwin"*

Christopher Irwin  
Interim Chief Financial Officer