

# **NEWRANGE GOLD CORP**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year ended April 30, 2018**

### **GENERAL**

This management's discussion and analysis of financial position and the results of operations is prepared as at August 28, 2018 and should be read in conjunction with the consolidated financial statements of Newrange Gold Corp. ("the Company") for the years ended April 30, 2018 and 2017 and related notes thereto.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

### **FORWARD-LOOKING STATEMENTS**

Certain statements contained in the MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Due to the risks and uncertainties identified above and elsewhere in this MD&A, actual results may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

### **DESCRIPTION OF BUSINESS**

The Company was incorporated under the *Business Corporation Act* (B.C.) on May 16, 2006. The Company acquired all of the outstanding shares of Corporacion Minera Colombia S.A. ("Minera Colombia") on September 16, 2006 by way of a Share Exchange Agreement. Minera Colombia was formed in February 2006, and was conducting early stage exploration activities in Colombia. The Company changed its name to Newrange Gold Corp. on December 2, 2016 to reflect the Company's increased activity in favorable jurisdictions in addition to its original focus on Colombia.

The Company is an exploration company dedicated to the identification, acquisition and exploration of precious metal and base metal projects. The Company's strategy is to advance its key projects through prospecting, drilling and development stages and to seek strategic partners through joint-ventures or other associations to fund continued project development.

## **EXPLORATION PROPERTY REVIEW**

Mr. Robert G. Carrington, P. Geo, a Qualified Person as defined by National Instrument 43-101, the President and CEO of the Company, has reviewed, verified, and approved for disclosure the technical information contained in this MD&A.

### ***Rocky Mountain, Colorado, USA***

During the year ended April 30, 2017, the Company acquired a 100% interest in the Rocky Mountain project in Colorado by issuing 200,000 shares valued at \$44,000. The Company also issued 1,700,000 share purchase warrant at \$0.17 per share valued at \$240,400.

### ***Pamlico, Nevada, USA***

On July 15, 2016, the Company entered into a purchase option agreement, subsequently amended, to purchase a 100% undivided interest in the Pamlico gold project in Nevada. To earn the interest, the Company must make payments totaling US\$7,500,000.

- i) US\$50,000 (paid \$65,003);
- ii) US\$9,000 (paid \$12,049);
- iii) US\$16,000 (paid \$21,311);
- iv) US\$125,000 (paid \$163,077);
- v) US\$250,000 (paid \$324,667);
- vi) US\$100,000 (paid \$131,512);
- vii) US\$150,000 on or before August 31, 2018;
- viii) US\$250,000 on or before July 15th of each year from 2019 to 2044; and
- ix) US\$300,000 on or before July 15, 2044.

The Company can purchase the 100% interest in the property early if payments totaling US\$4,000,000 are made by July 15, 2020.

Upon production, the Company must pay an annual payment of US\$250,000, or a 4% Net Smelter Royalty ("NSR"), whichever is greater. The Company may reduce the NSR to 1% by paying the optionor US\$1,000,000 per percentage point. All payments to the optionor are recoupable from production royalty payments. The Company will maintain the claims in good standing and pay any associated maintenance fees.

Located 12 miles southeast of Hawthorne, Nevada the project has excellent access and infrastructure, a mild, year-round operating climate and strong political support from Mineral County, one of the most pro-mining counties in the pro-mining state of Nevada. Situated along the Walker Lane, one of Nevada's largest and most productive gold trends. When the Company acquired Pamlico the property comprised 116 unpatented lode mining claims covering the historic Pamlico group of mines, as well as the surrounding Good Hope, Gold Bar and Sunset mines. Since acquiring Pamlico the Company has increased the property nearly 160% by staking 111 additional unpatented lode claims covering approximately 2,223 hectares of highly prospective ground contiguous with the original Pamlico property.

Discovered circa 1884 the district rapidly gained a reputation as being one of Nevada's highest grade districts. Owned by private interests for most of its history, the property is under-explored in terms of modern exploration. Prior to the Company's acquisition of Pamlico, exploration activities consisted mainly of scattered drilling totalling 8,487 meters (27,838 feet) in 103 widely scattered drill holes, many of which were not, or only partially assayed. Since acquiring the property, the Company has completed detailed mapping and saw cut channel sampling of the Merritt decline, initiated detailed surface mapping, soil and rock geochemical sampling and completed 5,660.8 meters of Reverse Circulation drilling in 47 holes. High grade mineralization remains open to expansion within the current drilling pattern as well as up and down dip, and along strike.

In 2013, the optionor permitted and completed a modern, trackless 188 meter long, 3 X 4 meter decline to develop high grade mineralization identified in their drilling. While driving the decline, two previously unknown mineralized zones containing visible gold were discovered. One of these zones is termed the Discovery zone, the other now known as the Front Vein. Systematic sampling by the Company has identified multiple additional high grade zones of mineralization and identifies disseminated or stock work style mineralization within parts of the system.

More than 100 veins on the property have had historic artisanal level production from shallow underground workings. Mineralization encountered in drilling is is deeply oxidized and dominated by very fine, nearly invisible gold that is easily recoverable by modern metallurgical methods. Individual productive veins with similar strikes and dips often form discrete zones where veins in the zone have similar characteristics. These vein zones often exhibit characteristics of strike and dip such that when projected along strike or down dip would intersect other zones of veins. It is well known structural intersections often form highly favorable geological environments for the development of larger volume, high grade targets in settings resembling other high grade Nevada deposits like the Fire Creek, Hollister and Midas Mines operated by Klondex Mines Ltd. (TSX: KDX) (NYSE: KLDX).

The table below presents select intercepts from the Company's Phase I drilling at Pamlico. Complete tabulations of the Company's drill results are available on the Company's website.

<b>Pamlico Summary Tabulation Of All Drill Intercepts Phase I RC Drilling Merritt - Decline Area</b>				
<b>Hole</b>	<b>From (meters)</b>	<b>To (meters)</b>	<b>Intercept length (meters)</b>	<b>Gold g/T</b>
<b>P17-2</b>	21.3	25.9	4.57	1.91
	42.7	64.0	21.34	1.27
	61.0	64.0	3.05	6.27
<b>P17-3</b>	62.5	64.0	1.52	51.00
<b>P17-4</b>	7.6	16.8	9.15	1.89
	9.2	10.7	1.52	9.40
<b>P17-05</b>	21.3	22.8	1.50	17.90

<b>P17-08</b>	30.5	51.8	21.34	13.67
	30.5	39.6	9.15	27.80
	35.1	39.6	4.57	44.90
	35.1	36.6	1.53	84.90
<b>P17-09</b>	16.8	50.3	33.54	1.10
	18.3	19.8	1.53	4.23
	39.6	41.2	1.53	9.50
	65.6	67.1	1.52	6.82
<b>P17-10</b>	18.3	19.8	1.53	6.44
	25.9	38.1	12.20	49.49
	27.4	33.5	6.10	97.94
	27.4	29.0	1.52	340.90
<b>P17-12</b>	25.9	27.4	1.52	6.95
	56.4	70.1	13.72	5.99
	57.9	62.5	4.57	14.52
<b>P17-13</b>	50.3	61.0	10.67	0.81
<b>P17-14</b>	9.1	35.1	25.91	0.46
<b>P17-15</b>	51.8	73.2	21.34	0.88
<b>P17-17</b>	1.5	72.4	70.88	3.57
	8.4	13.0	4.57	43.80
	10.7	11.4	0.76	244.30
	22.9	23.6	0.76	35.40
<b>P17-18</b>	54.1	64.0	9.91	15.27
	56.4	58.7	2.29	58.50

### Conventions

The Company utilizes certain conventions to avoid confusion between metric and imperial units in its press releases. Metric tons or tonnes consisting of 1,000 kilograms (2,200 pounds) are denoted with a capital "T" while imperial tons consisting of 2,000 pounds (907 kilograms) are denoted with a small "t".

Rock samples are stage crushed to 70% passing 1.7 mm (10 mesh), a 250 gram subsample was then riffle split and pulverized to 85% passing 75 microns (200 mesh). Gold was determined by fire assay using a one assay ton (1 AT) with an atomic absorption spectroscopy (AA) finish. A separate split of each pulp was analyzed for 30 additional elements, including silver, by AA.

RC drill cuttings were stage crushed to 70% passing 1.7 mm, a 1,000 gram subsample was then split and pulverized to 85% passing 75 microns (200 mesh). Gold was determined by fire assay using a 2 assay ton (2 AT) assay with AA finish. All samples reporting more than 10 g/T were reassayed by fire assay, 2 AT using a gravimetric finish.

On November 21, 2016, the Company announced that it had acquired by staking, a three kilometer (1.9 mile) long zone with extensive jasperoid bodies and highly anomalous gold mineralization hosted in carbonate rich sediments contiguous with its Pamlico project in Nevada by claims covering approximately 2.7 square kilometers (one square mile).

This important acquisition increases the exploration potential at the Company's Pamlico project by introducing the potential for sediment hosted gold mineralization.

Twenty-two random rock chip samples from visually mineralized outcrops along the zone assayed from 123 ppb to 5.02 grams gold per metric tonne (g/T Au) with a numerical average of 1.26 g/T Au. Review of historic soil geochemical data revealed anomalous gold in soils intermittently along the entire three kilometer strike length. Additional select surface samples taken from a system of a separate system containing carbonate replacement mineralization yielded values to 130 g/T Au. Subsequent drilling consisting of six shallow reverse circulation drill holes failed to intersect mineralization.

Jasperoidal silica replacement bodies, a well-known indicator of mineralization in sediment hosted "Carlin type" gold systems throughout Nevada, outcrop periodically along the entire 3 kilometer strike length. An extensive system of north-west and intersecting east-west trending faults extend the entire three kilometer length of zone and likely provided important channels and controls for localizing mineral bearing solutions. Similar intersections of northwest trending and east-west trending structures are a primary structural control of mineralization on Nevada's famed Carlin trend.

The mineralization trends northwest into other highly mineralized areas on the Company's Pamlico property. To the south, mineralization may be faulted off, ending abruptly against un-mineralized Tertiary and Quaternary volcanic cover in the southern portion of the new claim group.

The results of the rock chip geochemistry clearly demonstrate the presence of a gold bearing system in this newly staked ground. The rock samples are however selective in nature and unlikely to represent the average grade of mineralization.

On March 2, 2017, the Company announced the Company's initial program of diamond saw cut channel sampling in the Merritt decline has resulted in the discovery of multiple, previously unidentified, high-grade gold zones that have never been drill tested or sampled at its Pamlico project in Nevada.

A continuous interval 32 meters long was sampled from the face (front) of the decline up toward the portal. The sampled intervals are roughly perpendicular to the strike of observed mineralized structures and which are estimated represent 90 to 100% of the sample length. Assays within this interval identify two new high-grade gold zones which have never been sampled or drill tested previously. The first zone sampled yielded 17.25 grams gold per metric tonne (g/T Au) over a length of 13.8 meters, including 4.6 meters averaging 26.46 g/T Au with a sub-interval of 1.5 meters averaging 59.5 g/T Au. A separate high-grade interval of 1.5 meters averaging 36.9 g/T Au was also discovered in this zone. The second zone yielded 4.6 meters averaging 10.84 g/T Au, including 1.5 meters averaging 28.9 g/T Au. All intervals reported are contained within a much broader continuous 32.0 meter interval averaging 7.02 g/T Au.

### Decline saw cut channel sample results – Pamlico

	From	To	Length	Average	
	(m)	(m)	(m)	oz/t gold	g/T gold
	0	32.0	32.0	0.205	7.02
<b>Zone 1</b>	<b>9.1</b>	<b>22.9</b>	<b>13.8</b>	<b>0.503</b>	<b>17.25</b>
Incl.	9.1	13.7	4.6	0.772	26.46
Incl.	12.2	13.7	1.5	1.735	59.50
Incl.	19.8	21.3	1.5	1.076	36.90
<b>Zone 2</b>	<b>27.4</b>	<b>32.0</b>	<b>4.6</b>	<b>0.316</b>	<b>10.84</b>
Incl.	30.5	32.0	1.5	0.843	28.90

**Note:** Average grades reported are length weighted average of all assays within the reported interval. No grade capping has been applied. Reported lengths are sampled lengths. Based on available structural information true widths are estimated to be 90% or greater of these sample intervals.

The saw cut channel sampling reported herein extends in an unbroken sequence from the face of the decline, up the decline toward the portal for 32 meters. Sampling to date has not identified the limits of mineralization, which remains open to expansion with further exploration.

Based on these results the Company expanded its channel sampling program at Pamlico and initiated permitting for its first phase drilling program.

On April 11, 2017, the Company announced that the expanded program of continuous, end to end, diamond saw cut channel sampling in the Merritt decline had more than doubled the extent of mineralization previously announced. When combined with prior results, the new defined a zone 75.5 meters (247.8 feet) wide, interpreted to represent a true width, with a length-weighted average grade of 2.92 grams gold per metric tonne (g/T Au). A map of the decline showing all announced sample intervals to date may be viewed on the Company's website at [www.newrangepgold.com](http://www.newrangepgold.com).

The combined average length for both the mineralized intervals in the decline is 75.5 meters (247.8 feet) with a composite length-weighted average grade of 2.92 g/T Au. Significantly, all of the mineralization is deeply oxidized and near surface, occurring within 60 meters (200 feet) of the existing surface.

#### Discussion

Recent mapping, sampling and drilling at Pamlico suggests the mineralization sampled in the decline to date is contained in the lower portion of a thick volcanoclastic sequence.

The high-grade nature of Pamlico has been well known since the late 1800's. However, previous workers have not addressed the potential for disseminated mineralization amenable to modern largescale mining as indicated by the Company's most recent results. While high-grade mineralization remains a primary target for the Company at Pamlico, the potential for large volume, disseminated mineralization will be carefully assessed as the Company advances this highly promising project.

On May 10, 2017, the Company received all necessary drilling permits from the Bureau of Land Management (BLM) for its first phase of drilling and has posted the required reclamation bond. Phase I drilling at Pamlico focused on testing the postulated continuity of mineralization in the area of the Merritt decline and testing for additional structurally controlled high grade mineralization.

On June 19, 2017, the Company reported drilling results for the first 10 holes of the recently completed 19 hole Reverse Circulation (RC) Phase I drilling program focused on the Merritt Zone of the Pamlico gold project.

#### Highlights:

- Results from the first 10 holes were highly successful, supporting the continuity of gold mineralization in the vicinity of the Merritt decline (see prior news releases on underground channel sampling results by Newrange Gold) and historic high-grade drill intercepts in the Merritt Zone by prior operators. Work to date in the Merritt area indicate a mineralized zone approximately 100 to 130 meters wide that is presently open ended along strike.

- Hole P17-03 drill tested the projection of high-grade gold mineralization east of the decline and south of the Merritt Zone intersecting 1.5 meters of 51 grams gold per metric tonne (g/T Au).
- Holes P17-04 and P17-05 were drilled in a fan to confirm the presence of high-grade gold mineralization and test lateral and up dip projections of mineralization reported in historic holes PRC36, M10-04 and M10-17. Hole P17-04 intersected 1.5 meters of near surface mineralization assaying 9.40 g/T Au. Hole P17-05 intersected 1.6 meters assaying 17.9 g/T Au. Importantly, these holes confirm the presence of high-grade gold bearing structures and indicate good lateral and vertical continuity of mineralization near the surface in this area.
- Holes P17-08, 09 and 10 are interpreted to have discovered a new zone of near surface high-grade gold mineralization termed the “J zone”, approximately 50 meters south of the end of the decline. Drilling tested favorable structural projections beneath an area of shallow alluvial cover. Holes P17-08 and 09 were drilled from the same site and P17-10 was drilled approximately 15 meters to the northwest. P17-08 intersected a mineralized zone averaging 13.67 g/T Au over 21.3 meters, including a higher grade sub-zone averaging 27.8 g/T Au over 9.1 meters with a highgrade interval averaging 84.90 g/T Au over 1.5 meters. Hole P17-09 is interpreted to have been drilled over the top of, and sub-parallel to the structure intersected in P17-08 and returned 9.5 g/T Au over 1.5 meters and 6.82 g/T Au over 1.5 meters. Hole P17-10 intersected 49.49 g/T Au over 12.2 meters with a higher grade sub-zone averaging 97.94 g/T Au over 6.1 meters including an interval of 340.9 g/T Au over 1.5 meters.

**Please see the drill results table on pages 3 and 4 of this MD&A.**

All results reported are length-weighted averages with no grade capping applied. Lengths of drill intercepts are for the actual drilled intercept length and may not represent true widths. Insufficient data currently exists to estimate true width.

On June 26, 2017, the Company reported that the Company has staked 111 new claims at the Company’s Pamlico Project in Nevada.

The New Claims:

- Better encompasses the dominant gold trends in the area.
- Cover areas of prospects and mine workings with historic surface samples ranging from 0.5 to 3.0 gram gold per metric tonne (g/T Au) in highly deformed and altered carbonate sediments.
- Add multiple prospective targets in favorable volcanic rocks known to host high-grade gold mineralization as currently being explored in the Merritt Zone.
- Provide a significant exploration and operational “buffer” around previous holdings.

On July 5, 2017, the Company announced that the Phase I drilling continued to intersect multiple zones of near surface, high-grade, oxide gold mineralization, including 244.3 grams gold per metric tonne (g/T Au) over 0.8 meter, within 4.6 meters averaging 43.8 g/T Au, at its Pamlico gold project in Nevada.

Key Highlights:

- These last drill results continued to define and expand the presence of high-grade gold mineralization in the vicinity of the Merritt Zone and Merritt Decline (see prior news releases on previous underground channel sampling and drill results by Newrange). Notably, this drilling intersected high-grade, oxide mineralization above the Merritt Zone, expanding the zone's shallow potential. This potential was

previously overlooked because historic drilling was not assayed from the surface to a depth of 55 meters.

- Hole P17-17 intersected 0.8 meter assaying 244.3 g/T Au from 10.6 to 11.4 meters. This is the Company's second highest grade drill intercept to date, and is included within a broader interval of 4.6 meters averaging 43.8 g/T Au from 8.4 to 13.0 meters. Hole 17 also intersected a second high-grade zone assaying 35.4 g/T Au over 0.8 meter from 22.8 to 23.6 meters.
- Hole P17-12 intersected 4.6 meters averaging 14.5 g/T Au, within a broader interval of 13.7 meters averaging 6.0 g/T Au. This intercept is at an approximate vertical depth of 40 meters from the surface (58 meters down-hole), and extends the known limits of high-grade gold mineralization more than 35 meters to the west of previous drilling.
- Hole P17-18 intersected 2.3 meters averaging 58.5 g/T Au from 56.4 to 58.7 meters, within 9.9 meters averaging 15.27 g/T Au from 54.1 to 64 meters.
- Holes P17-13, 14 and 15 all contain significant intercepts of disseminated, lower grade mineralization, confirming and expanding the extent of "halo" gold mineralization more than 30 meters south of the decline.

**Please see the drill results table on pages 3 and 4 of this MD&A.**

During H2, 2017 the Company completed the first ever, property wide airborne magnetic and radiometric surveys and a property wide ground based gravity survey.

These property wide geophysical surveys have never been done at Pamlico and are designed to help identify subtle alteration styles and the distribution and extent of favorable rock types that host the majority of the gold occurrences at Pamlico. The geophysical data will help refine known targets, as well as identify new targets for follow-up.

In September 2017, the Company commenced the second phase of drilling at the Company's Pamlico gold project.

Principal objectives of this second phase of drilling were:

- Drill test and expand recently discovered high-grade gold mineralization in holes P17-08 and P17-10, situated approximately 54 meters from the high grade Merritt Zone.
- Drill test newly identified structural targets developed from recent detailed surface mapping and channel sampling between the Merritt zone and holes P17-08 and 10.
- Drill two deep stratigraphic test holes to assess potential for "stacked" favorable horizons that could be receptive for additional high grade mineralization at depth. Additionally, important information about depth of oxidation and depth of water table will likely be obtained from these holes as well.
- The Company is already preparing for a third phase of RC drilling that will target both step-out extensions and entirely new areas of the property based on ongoing mapping and sampling programs.

Geologic information related to gold mineralization obtained from the upcoming second phase program will be used to guide this third phase as well.

Discussion: Phase I drilling at Pamlico was highly successful and achieved all objectives of the program. The second phase of drilling built on those successes and importantly tested substantial areas of highly favorable host rocks that had never been drilled.

In November 2017, the Company announced drilling at the Company's Pamlico project in Nevada has delineated two new high-grade gold zones now referred to as the K-Zone and N-Zone. Both new trends were initially recognized from Newrange's surface geologic mapping in the area of the Merritt Zone (M-Zone). The Company has received assay results for two of the four drill holes currently completed in the K-Zone, with an intercept of 16.87 grams gold per metric tonne (g/T Au) over 4.6 meters as reported for P17-32 in the Table below. In addition, assay results for holes P17-21, 28 and 29 indicate the N-Zone is parallel to the adjacent MZone, with results of 12.60 g/T Au over 3.0 meters in P17-29 and 4.19 g/T Au over 21.3 meters in P17-21.

#### Key Highlights:

- The exploration results through Phase II drilling strongly support the presence of a NW-oriented gold corridor with a width of approximately 65 meters (~220 ft) within a broader corridor that, as indicated by historic mining and recent mapping, may have a width of over 245 meters (~800 ft). Mapping along trend to the SE of the current drill area indicates that the same NW-oriented structures are still present for at least 365 meters (~1,200 ft) in historic workings and other exposures. Strike potential to the NW is covered and unknown at this time. See Maps 1 and 2 on the Company Website here.
- Drilling continues to suggest that the bulk of the gold mineralization is dominated by very fine grained gold contained in iron oxide dominated structures and stockwork veining.
- No visible gold has been observed in the Company's drill logging or underground sampling, indicating a fine grained gold distribution. As well, all mineralized intervals are completely oxidized and within 75 meters (~250 ft) of the surface.
- Drilling in the J-Zone indicated additional mineralized structures, increasing the potential width of this high-grade area.
- All drill holes to date have intersected gold mineralization of significance.
- None of the current drilling from Phase I or II tests the more extensive Pamlico Ridge portion of the system which could extend for more than 2.4 kilometers to the southeast as indicated by historic mine workings and prospects. Further mapping, sampling and permitting will allow initial drill testing of this area by January, 2018.
- Recent field work and drill results continue to refine the geologic framework the Company will use to explore other prospective targets on the property.

<b>Phase II Assay Table: Summary Drill Results (Condensed) – Holes P17-20 to P17-32</b>								
Hole	From (m)	To (m)	Length (m)	Avg. Au g/T	Initial Azim.	Initial Incln.	TD (m)	Notes (see website version for more detail)
<b>P17-20</b>	56.4	64.0	7.6	1.71	215	85	80.8	Stockwork like zone
<b>P17-21</b>	9.1	30.5	21.3	4.19	120	85	76.2	
including	25.9	27.4	1.5	45.97				New "N-Zone" indicated
<b>P17-22</b>	10.7	13.7	3.0	1.51	120	85	76.2	Mineralized interval in upper rhyolite
<b>P17-23</b>	54.9	65.5	10.7	1.83	210	85	76.2	
<b>P17-24</b>	24.4	42.7	18.3	1.31	153	85	76.2	Expansion and definition of "J-Zone"
<b>P17-25</b>	13.7	50.3	36.6	3.69	150	80	76.2	Expansion and definition of "J-Zone"
including	32.0	33.5	1.5	64.88				
<b>P17-26</b>	19.8	48.0	28.2	4.54	165	80	61.0	Expansion and definition of "J-Zone"
including	32.8	48.0	15.2	8.13				
with	46.5	48.0	1.5	44.41				
<b>P17-27</b>	12.2	21.3	9.1	2.11	210	85	342.9	Stratigraphic test hole to 342.9 m
including	16.8	18.3	1.5	12.20				
and	54.9	77.7	22.9	3.16				
including	70.1	77.7	7.6	7.32				
<b>P17-28</b>	53.3	62.5	9.1	2.12	215	85	76.2	New "N-Zone" indicated
including	59.4	61.0	1.5	8.99				
<b>P17-29</b>	25.9	29.0	3.0	12.60	215	85	76.2	New "N-Zone" indicated
<b>P17-30</b>	10.7	12.2	1.5	11.56	195	85	365.8	Stratigraphic test hole to 365.8 m
and	17.5	23.6	6.1	3.92				
<b>P17-31</b>	0.0	2.3	2.3	12.51	192	85	76.2	New "K-Zone" indicated
and	14.5	41.9	27.4	1.39				
including	27.4	29.0	1.5	13.23				
<b>P17-32</b>	7.6	10.7	3.0	1.88	195	85	76.2	New "K-Zone" indicated
and	14.5	16.0	1.5	6.23				
and	26.7	39.6	13.0	2.13				
and	48.0	52.6	4.6	16.87				
and	64.0	66.3	2.3	8.07				

All results reported are length-weighted averages with no grade capping applied. Drill intercepts are for the actual drilled intercept length and may not represent true widths. Insufficient data currently exists to estimate true width. Note, From, To, and Length reported in meters, but converted from feet.

A complete table of all Phase II drill intercepts can be found on the Company's website.

Importantly, the Company's drill program continued to define new zones of near surface, high-grade, oxide gold mineralization highlighted by the new K and N-Zone discoveries. Following up on work conducted earlier this year in the area of the northwest oriented M-Zone, Newrange previously announced the discovery of a high-grade northwest oriented gold zone referred to as the Jack Zone (J-Zone) to the southwest of the M-Zone. The latest results have expanded the width and provided more geologic detail on the nature and extent of the J-Zone gold mineralization.

The Company's drilling in the Merritt Discovery area confirms surface mapping and sampling results that define a northwest dominant structural control over a stockwork-like array of high, moderate and low

angle structures within a highly variable, and therefore highly receptive and extensive sequence of volcanic host rocks.

A Drill Hole Location and Geologic Map (Map 1) and Merritt Area Trend Map (Map 2) are available on the Company's website. A more complete assay table with the latest results, including detailed comments, is also available.

## Technical Discussion

### Structure

The mineralized fault and fractures zones mapped and sampled in the Merritt and Pamlico Ridge areas are dominantly filled with iron oxides and/or minor quartz vein material. Thicknesses vary widely from hairline fractures to individual structures more than two meters (~6.5 ft) in width. Within the main mineralized corridors, fracture and fault density occurs as a stockwork system of orange, red and black iron oxide networks.

A NW fault set appears to be a dominant control in the Merritt exploration area, with secondary NE and E-W faulting and fracturing. The steeply dipping fault zones display variable continuity along strike depending on fault size and host rock characteristics. Both WNW and NW oriented veining is commonly iron oxide dominant, while NE directed structures are often associated with late quartz veining.

Another important class of veining is comprised of very low to moderate angle quartz and/or iron oxide veins occurring most prominently at significant changes in rock type (lithologic contacts). These zones are common throughout the Merritt target area starting at surface, and are often seen at both the upper and lower latite/rhyolite contacts due to apparent competency contrasts between the rock types. The highly variable stratigraphy results in multiple zones of competency contrast and highly favorable ground preparation. Most of the historic production in the district was from high-grade gold mineralization along similar low to moderate angle veining near lithologic contacts.

### Host Rock (Lithology)

Within the Merritt and Pamlico Ridge mineralized areas, mapping and drilling have identified alternating sequences of bi-modal volcanics composed of more resistant rhyolitic rocks and the intermediate latites, andesites and dacites noted above. Information provided by recent mapping and sampling of historic workings and other exposures, as well as recent drill hole logging, indicates that the intermediate rocks proximal to contact zones with interlayered rhyolite may be the preferred host horizons for gold mineralization. Significant drill intercepts (i.e., over 15 g/T Au) have also been found well into the lower and upper rhyolites, suggesting that with strong enough "plumbing" any of the units can become viable hosts for gold mineralization.

The better mineralized rhyolites and latites noted above are covered to the north by a slightly younger volcanic unit comprised of mixed volcanic sediments and andesite flows (VS) as shown on the website geologic maps. This VS unit is also mineralized and locally contains high-grade quartz-gold veining, but is not considered a major host for gold mineralization as currently understood. In fact, the VS unit may conceal much better mineralized structures in underlying latites and rhyolites.

Drill holes P17-27 and P17-30 were completed to depths of between 335 meters (1,100 ft) and 365 meters (1,200 ft) and are the deepest holes drilled on the property to date. While both drill holes intersected significant near surface gold mineralization, the primary objective was to test for additional favorable host rocks at depth. Both holes indicate a repetitive sequence of potentially favorable volcanic lithology extends to depth.

#### Drilling, Sampling and QA-QC.

All drilling has been by Reverse Circulation (RC) methods using a five inch diameter face-center recovery bit and is supervised by professional geologists. Samples are collected on either 1.52 meter (5 foot) or 0.76 meter (2 ½ foot) intervals with cuttings captured in a closed system cyclone, then riffle split in a three tiered Jones-type splitter, generating an average sample weight of 7.9 kilograms per sample. Samples were then securely delivered to one of three (Inspectorate, American Assay, or ALS) independent ISO/IEC 17025:2005 certified laboratories in Sparks, Nevada for preparation and analysis. Delivered samples were dried and stage crushed to 80% passing 10 mesh. A 1,000 gram sub-sample was then split out and pulverized to 140 mesh from which 50 gram samples were split for analysis by fire assay (FA) with atomic absorption finish. Samples assaying more than 100 grams g/T Au and random samples assaying more than 10 g/T Au are re-assayed using 50 gram FA with gravimetric finish. The Company inserts blanks, standards, and duplicates at a rate of approximately 1 in 30.

In November 2017, the Company announced that the Company's property wide magnetic, radiometric and gravity geophysical surveys have identified multiple new potential gold targets, in addition to expanding known zones of gold targets. On the western side of the Property, the geophysical data suggests that the Pamlico Ridge mineralized trend extends under shallow cover to the northwest and southeast, and may be up to 4 ½ kilometers long. The final report on the surveys, titled "Interpretation of Airborne Magnetic, Radiometric and Gravity Data for the Pamlico Project, Mineral County, Nevada", by EGC Inc., describes multiple skarn and sediment hosted gold targets indicated by the integration of the magnetic, radiometric (potassium) and gravity data with geologic mapping. All maps and sections referred to in this news release may be viewed on the Company's website at [www.newrangegold.com](http://www.newrangegold.com).

## Discussion of Significant Findings in the Report

### *Pamlico Ridge and the Current Drill Area (areas 1, 2 and 3 on maps)*

A moderate magnetic and strong potassium high has expanded the overall length and width of the Pamlico Ridge Target Area, which includes the: 1) Merritt/Pamlico Ridge, 2) E-W, and 3) Gold Box drill targets as labeled on the geophysical maps. Importantly, a magnetic high correlates with a mapped fold known as the Pamlico Anticline. This fold brings the preferred host rocks to the near surface at Pamlico. Detailed modeling of the magnetic survey indicates the favorable host rocks then dip moderately to the north and south as shown on Section A – A'.

Alteration of host rocks in gold systems commonly contains potassium rich minerals that can be detected with radiometric data (K. Freeman, 1996). In the area of Pamlico Ridge, potassium forms a strong anomaly generally coincident with, and surrounding known mineralization. Radiometric data shows a potassium anomaly extending more than one kilometer to the northwest of the Company's drill area and 3 ½ kilometers to the southeast that gradually curves to become more easterly, while generally paralleling a coincident anomaly in the magnetic data. Similar coincident patterns are associated with other target areas, including the Gold Box and E-W targets.

### *Pediment Target Area*

Magnetic and radiometric data support the possible extension of structures and host rocks known to be mineralized in the Pamlico Ridge and Gold Box areas into the Pediment Target area. Magnetic data indicates that highly favorable host rocks lie beneath shallow alluvial gravels that cover the Pediment area as shown by Section A-A' here. Importantly, the gravity data indicates that this target area is only covered by a thin veneer of alluvial gravel. Mapping by the Company shows the Pediment area to be generally surrounded by highly altered rocks, and two saw cut channel samples of the single outcrop in the Pediment Target Area yielded 1.5 meters assaying 1.25 g/T Au with a second sample assaying 4.79 g/T Au over 0.5 meters (sample length represents true widths as seen in outcrop).

### *Sediment Hosted (Carlin) Gold Potential*

Within highly altered carbonate sediments in the East Zone, two separate gravity lows with coincident potassium highs indicate potential decalcification and mineralization of the limestones. Decalcification of carbonate sequences in Carlin deposits (J. Rota, 1996) is commonly associated with magnetic and gravity lows (J. Wright, 1996a).

### *Skarn Hosted Gold Potential*

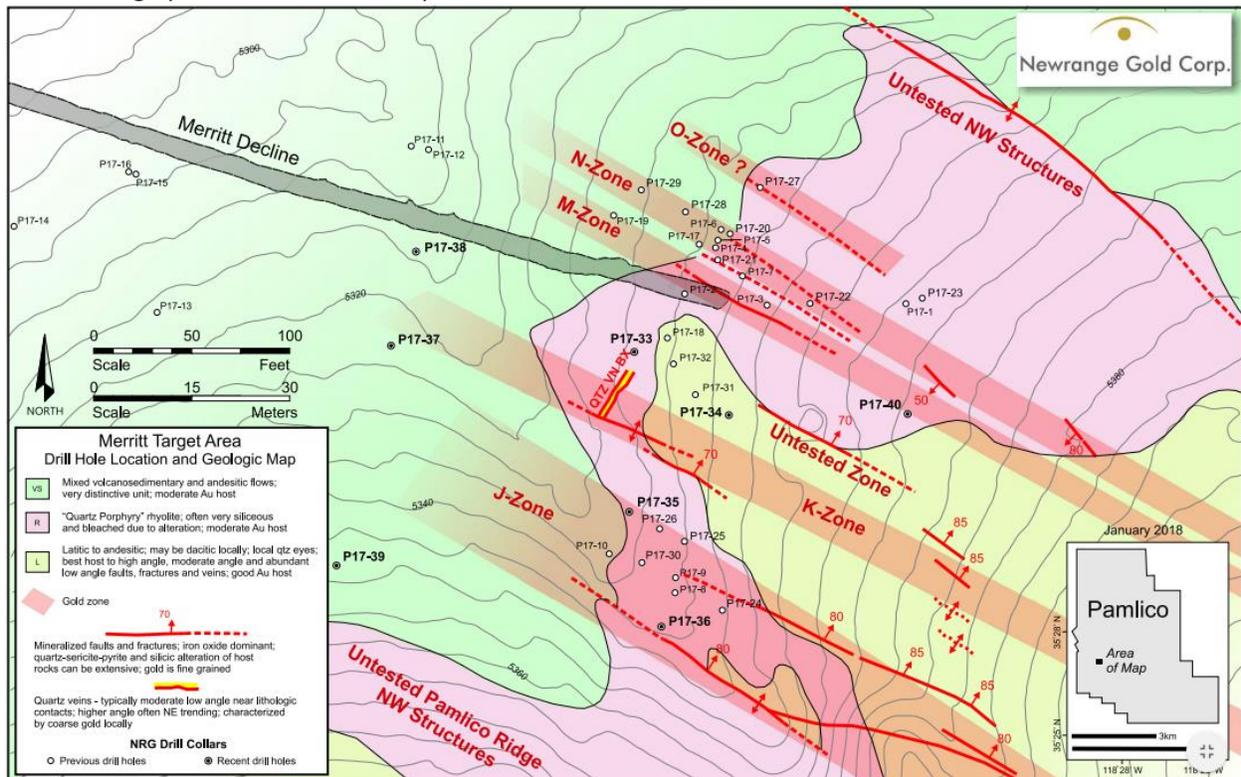
Outcropping, highly altered and bleached limestone is associated with coincident gravity, potassium and magnetic highs, which, together with the observed alteration, indicate possible skarn development in the sedimentary carbonate rocks. Re-crystallization of carbonate rocks adjacent to intrusive rocks commonly produce gravity highs (J. Wright, 1996b) associated with magnetic anomalies caused by magnetic minerals (pyrrhotite, magnetite) common to skarn alteration (R. B. Ellis, 2017) and potassium is commonly enriched in and around both precious and base metal systems (K. Freeman, 1996).

### Key Highlights of Geophysical Surveys

- Indicates larger Pamlico Ridge target area than previously outlined.

- Indicates Pediment target area is highly prospective and covered by a thin layer of gravel. The Company's sampling confirms the presence of gold in sparse outcrop at the Pediment target.
- May indicate alteration known to be associated with sediment hosted (Carlin style) gold in East and East Zone South areas.
- Identifies potential for skarn type mineralization in multiple locations on the property.

In January 2018, the Company announced drill final results for holes P17-33 through P17-40, the last eight holes from the 2017 Pamlico Phase II drill program. Drill holes P17-33, 34 and 35, all contain significant oxide gold intercepts that confirm and extend high-grade mineralization along the K and J Zones trends within the Merritt target area. Although individual samples from these three holes vary up to 56.7 g/T gold (Au), they also continue to highlight broader, lower grade, intervals of near surface bulk tonnage potential. See the map below for the latest drill hole locations.



Further, the Company plans to begin the Phase III drill program in early February, 2018. This drilling program will test both new carbonate (sediment) and volcanic hosted gold targets across the Pamlico property.

### Assay Table: Holes P17-33 to P17-40

Hole	From (m)	To (m)	Length (m)	Au (g/T)	Azimuth	Inclination	TD (m)
<b>P17-33</b>	0.0	53.4	<b>53.4</b>	<b>2.36</b>	196	-85	76.1
Including	19.0	23.6	<b>4.6</b>	<b>8.30</b>			
And	34.3	37.4	<b>3.1</b>	<b>18.08</b>			
<b>P17-34</b>	13.7	31.2	17.5	0.71	195	-85	76.1
Including	16.8	18.3	1.5	6.77			
<b>P17-35</b>	24.4	42.7	<b>18.3</b>	<b>2.51</b>	195	-85	76.1
Including	32.0	33.5	<b>1.5</b>	<b>26.10</b>			
<b>P17-36</b>	39.6	48.8	9.2	0.74	195	-85	76.1
<b>P17-37</b>	38.1	50.3	12.2	0.61	195	-70	91.3
<b>P17-38</b>	28.9	35.1	6.2	1.10	195	-70	152.2
<b>P17-39</b>	No Significant Mineralization						
<b>P17-40</b>	No Significant Mineralization						

*All results reported are length-weighted averages with no grade capping applied. Drill intercepts are for the actual drilled intercept length and may not represent true widths. Insufficient data currently exists to estimate true width.*

#### Discussion of Drill Results

Holes P17-33 and P17-34 offset high-grade drill holes P17-31 and P17-32, which were reported in the Company's news releases dated November 6, 2017. Drill hole P17-33 extends the K Zone to the northwest, while hole P17-34, drilled on the same line extends gold mineralization to the southeast. Holes P17-33 and P17-34 both intersected high-grade gold mineralization within broad "halos" of web-like, stockwork style mineralization, similar to that encountered in holes P17-18, 31 and 32. Hole P17-35 provides additional infill and extension of the J-Zone to the northwest with selective high-grade iron oxide style gold veining within a broader lower grade halo.

Hole P17-36 appears to have been collared too close to the edge of the J-Zone and overshot the target, however a 9.2 meter intercept of 0.74 g/T Au suggests that additional favorable structure and stratigraphy are present in the footwall of this zone.

Holes P17-37 and P17-38 were drilled roughly along trend from the K-Zone area, both holes produced significant intercepts as shown in the assay table. Significantly, these intercepts plus broader zones of lower grade mineralization, show the gold system persists to the northwest. Holes P17-39 and P17-40 did not intersect significant mineralization and appear to have missed their respective targeted structures.

Since acquiring Pamlico, the Company's exploration efforts have been highly focused on the Merritt target area, which represents less than 1% of the Pamlico property. This work, designed to develop a high confidence, strong predictive model of the complex geology and very high-grade mineralization at Pamlico has been exceptionally successful and will be an invaluable guide in exploring for other high priority targets, building on the Company's initial results in the Merritt Area.

#### Highlights 2017 work

- Identified multiple new, shallow, high-grade, structurally controlled zones of mineralization.
- Identified large areas of stockwork / disseminated mineralization potentially amenable to bulk surface mining methods.

- Defined an exceptionally favorable volcanic host rock unit which is the preferred host for the majority of all historic production and virtually all newly discovered mineralization at Pamlico.
- Identified additional similar highly favorable volcanic units at depth, materially increasing the size potential of Pamlico.
- Defined an extremely deep level of intense oxidation extending 200 meters below the surface.

#### *2018 Exploration and Drilling Program*

Six (6) large, high potential exploration areas dominate Pamlico and include: the E-W, Gold Box, "B", East Zone North and East Zone South in addition to the 2.7 kilometer long Pamlico Ridge Trend. In total, these areas have a combined strike length of more than 14.2 kilometers.

Starting early February 2018, Newrange work programs focused on:

- Establishing potential for a multi-million ounce near-surface oxide gold resource within the larger Pamlico exploration area during the 2018-2019 drilling campaigns. This figure is conceptual in nature (see note below).
- Expand drilling into the East Zone North area to explore sediment hosted carbonate replacement mineralization.
- Conduct step-out drilling along trend in the Merritt Area.
  - Initiate drilling in the 1300 by 700 meter, Pediment Zone north of the Merritt decline to explore for extensions of the Merritt zone high-grade mineralization.
- Initiate drilling in the Pamlico Ridge Trend including the intersecting E-W Zone.
- Metallurgical sampling and test work to assess preferred metallurgical recovery methods.
- Continue to expand its surface and underground mapping and sampling programs. Expand geochemical surveys in areas identified as prospective for mineralization in the Company's ongoing geological mapping program for future drill targeting.

Note: This figure is conceptual in nature and derived from a compilation of 40 Newrange Gold drill holes and underground channel sampling in and around the Merritt Area. To date, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

#### *Terms of Reference*

In this news release, all references to grams per tonne (denoted g/T Au) are grams per metric ton of 1,000 kilograms (2,204.62 pounds). To convert grams per metric tonne to troy ounces per short ton of 2,000 pounds oz/t Au, multiply g/T Au by 0.029167.

#### *Quality Assurance/Quality Control*

Mr. Robert G. Carrington, P. Geo, a Qualified Person as defined by National Instrument 43-101, the President and CEO of the Company, has reviewed, verified and approved for disclosure the technical information contained in this news release. All drilling was by Reverse Circulation (RC) methods using a five inch diameter center recovery bit. All drilling was supervised by professional geologists. Drill cuttings were captured in a closed system cyclone, then riffle split in a three tiered Jones-type splitter, generating an average sample weight of 10.5 kilograms. Samples are then securely delivered to ALS-Chemex in Sparks, Nevada for sample preparation and analysis. Samples were dried then stage crushed

to 80% passing 10 mesh. A 1,000 gram sub-sample was then split out and pulverized to 140 mesh from which 50 gram samples were split for analysis by fire assay with atomic absorption finish. All samples assaying more than 10 g/T Au are checked and re-assayed using fire assay (FA) with a gravimetric finish. In addition to the QA – QC conducted by the laboratory, the Company inserts blanks, standards and certified reference material (CRM) at a rate of not less than 1 in 20.

In February 2018, the Company announced that the Company's systematic program of mapping and sampling at Pamlico has identified another very prospective, high grade gold drill target referred to as "Tom's Hammer" where rock chip samples yielded up to 130 grams gold per tonne (g/T Au) in mineralized sedimentary rocks of the East Zone – North. Similar work in the Pamlico Ridge Area also identified high-grade gold mineralization that may indicate a 700 meter southeasterly extension of high-grade mineralization discovered by the Company during 2017 in the Merritt Area. All-together, the six (6) high potential exploration areas at Pamlico have a combined strike length of more than 14 kilometers.

For logistical reasons, the Phase III drill focused on the new "Tom's Hammer" target. Drilling then shifted to exploring indicated extensions of mineralization to the southeast of the Merritt Area along Pamlico Ridge.

#### *East Zone – North (Sediment Hosted Target)*

Rock chip sampling has identified high-grade gold mineralization assaying 130.0 g/T Au over 0.6 meter sampled interval perpendicular to the mineralization at surface. The area, referred to as Tom's Hammer is situated in the East Zone - North, roughly 3.5 kilometers northeast of Pamlico Ridge. Thirty-two (32) widely spaced rock chip samples of structurally and stratigraphically controlled mineralization from outcrops, prospects and shallow underground mine workings over an area 800 meters long, up to 100 meters wide with an approximate vertical range of 100 meters, assayed from 0.1 to 130 g/T Au and 0.4 to 52.5 grams tonne silver (g/T Ag) over sample lengths ranging from 0.6 to 2.8 meters. The reader is cautioned that these samples are of structurally and stratigraphically controlled mineralization and may not be representative of the entire area. To the best of the Company's knowledge, this target had never been explored with modern technology or drilled.

#### *Pamlico Ridge (Merritt Area Extension)*

A length weighted average grade of 16.28 g/T Au was obtained from 14 rock chip samples with a grade range of 0.28 to 68.0 g/T Au from highly mineralized material, visually similar to mineralization found in the Merritt Area. These samples, ranging from 0.4 to 1.1 meters in length, were collected from an area roughly 114 meters long by 70 meters wide encompassing a group of nearly vertical, east – west trending veins, associated with the highly prospective E-W Zone where it crosses the well-mineralized Pamlico Ridge Trend. The sampled area lies within a much larger area of numerous historic mine workings roughly 300 meters wide and 700 meters long extending southeasterly along the Pamlico Ridge Trend from the Merritt Area. High angle structures such as these are very important potential "feeder zones" that can provide critical pathways for deep, circulating, mineral bearing fluids to access the favorable host rocks. Identification of potential feeders is very important for the modeling and exploration at Pamlico especially the deeper favorable geological horizons known to exist at Pamlico as discussed in the Company's news release of January 9, 2018. The reader is cautioned that these samples are of structurally controlled mineralization may not be representative of the entire mineralized area.

### Highlights - Phase III Drill Targets

- East Zone – North: New high-grade gold target with 800 meter strike hosted in carbonate sediments of the East Zone – North with surface samples up to 130 g/T Au.
- Pamlico Ridge – Merritt Area Extension: Extension of Merritt Area to southeast along trend for approximately 700 meters and including projected intersection with the E-W Zone with near surface samples up to 68 g/T Au.

In July 2018, the Company announced Phase III drill results had extended the mineralization approximately 1,600 ft (488 m) on strike to the southeast from the Merritt Decline Area along Pamlico Ridge, demonstrating an approximate 400% increase of prospective high-grade vein and disseminated gold targets. This drilling expanded both the strike length and width of the mineralized corridor, and identified new host rock and structural settings favorable for hosting gold mineralization. A geologic plan map and cross sections provide summary reference information on the Company website.

### *Key Highlights*

- Newrange's Phase III drill results indicate an expanded strike length of 1,600 feet (488 m) that includes the Merritt Decline Area and newly identified mineralization at Pamlico Ridge – in excess of 4 times the previously known strike length.
- Phase III results also expand the apparent width of the mineralized corridor from 220 feet (67 meters) to 420 ft (128 m).
- Prospective depths have been increased to about 530 ft (161 m), a 260% increase over the vertical extent of mineralization indicated by the Company's 2017 drilling.
- The best gold values were seen in hole P18-47 which intersected 39.6 meters of 1.482 g/T gold while P18-44 intersected 86.9 meters of 0.578 g/T gold, including 25.9 meters of 1.021 g/T gold.
- Drilling confirms consistent and deep levels of oxidation ranging from 200 to 300 meters below surface. All gold intercepts to date are in thoroughly oxidized host rock, commonly favorable characteristic for modern metallurgical recovery processes.
- 2018 drill results also confirm the importance of recently mapped major northwest fault zones.
- Importantly, the latest drilling has also discovered a deeper favorable host rock package.
- Ongoing surface and underground mapping and sampling continues to refine the geologic framework Newrange will use to explore many other prospective targets on the property.

### *Phase III Drill Program*

#### *Pamlico Ridge*

Drilling consisted of seven holes totaling 5,337 ft (1,627 m). Three of these holes intersected significant oxide gold mineralization, while two of the holes, P18-44 and 47 confirm the discovery of a potentially significant new oxide gold zone in a previously unknown, but favorable host rock sequence near recently mapped major northwest fault zones in the Pamlico Ridge target zone. Using the "Front Vein" in the Merritt Decline as a northwest limit, holes P18-44, P18-47 and P18-41 extend mineralization approximately 1,600 ft (488 m) to the southeast and along trend from the Front Vein. A summary assay table covering the initial 7 Phase III holes at Pamlico Ridge is provided below, while a complete tabulation can be found on the Company's website.

Assay Results Table:

Hole	From (m)	To (m)	Length (m)	Au g/T	Azimuth	Inclination	TD (m)	Notes
<b>P18-41</b>	Hole lost at 350.6 meters				N90E	-70	350.6	Also test stratigraphy
	44.2	94.5	50.3	0.500				
Including	44.2	62.5	18.3	1.018				
Including	51.8	53.4	1.5	8.150				
Including	83.8	94.5	10.7	0.548				
<b>P18-42</b>	No Significant Intervals; did not reach target depth				N70E	-70.0	225.6	Also test stratigraphy
<b>P18-43</b>	No Significant Intervals; did not reach target depth				N70E	-70.0	300.3	Also test stratigraphy
<b>P18-44</b>	44.2	131.1	86.9	0.578	S60W	-70.0	182.9	
Including	44.2	47.3	3.0	1.730				
Including	67.1	128.0	61.0	0.708				
Including	67.1	82.3	15.2	0.893				
Including	102.1	128.0	25.9	1.021				
and	154.0	155.5	1.5	5.550				
<b>P18-45</b>	No Significant Intervals; did not reach target depth				S63W	-85.0	192.1	Hole lost / stuck rods
<b>P18-46</b>	No Significant Intervals; did not reach target depth				N60E	-70.0	182.9	
<b>P18-47</b>	9.1	18.3	9.1	1.091	N44E	-70.0	192.7	
and	85.4	125.0	39.6	1.482				
Including	85.4	109.8	24.4	2.257				
Including	85.4	88.4	3.0	7.665				

\* True widths result from a combination of structural and stratigraphic controls on mineralization, and are currently unknown with this level of drilling.

Phase III results indicate:

- 1) Pamlico Ridge has near surface disseminated gold potential as stock-work style mineralization proximal to areas of high-grade, historical gold mining, and
- 2) A deeper unexplored rhyolite/latite/sediment host rock package could provide a much more significant expansion to the gold target in this area.

#### *Phase III Drill and Exploration Program*

During the first half of 2018, the Company planned and executed Phase III drill program designed to test both near surface and deeper gold targets based on its detailed mapping and sampling program in the Pamlico Ridge area. Detailed surface and underground mapping, sampling and surveying, has been incorporated into a structural (faults and veins) and stratigraphic (host rock) model that is particularly effective when combined with deeper drill holes spaced along trend so that host rock changes at depth can be included.

#### *Interpretation of Results*

The highly successful, Phase III drilling program produced near surface intercepts as expected. These drill locations were based on surface mapping and sampling of both structure and stratigraphy, and continue to highlight the importance of specific structural domains and brittle/ductile host rock transitions. Holes P18-44 and 47 show thick intervals of gold mineralization related to a newly identified and potentially very host rock units within a broader latite package as shown on cross section A-A' on the Company's website. Drill results indicate this new unit contains much thicker and potentially

laterally more extensive target zones than the very near surface zones surrounding the historic high-grade mining areas. Importantly, this unit lies below the deepest known mine workings on Pamlico Ridge and does not outcrop at the surface anywhere on or in the vicinity of Pamlico meaning that all mineralization in this unit is preserved and was virtually unknown to prior miners and explorers as Pamlico. Limited Phase III drilling in this package intersected large intervals of disseminated oxide gold mineralization which remain open to expansion.

#### Tom's Hammer

Early in the Phase III program, the Company drilled 2,500 feet (762 meters) in seven shallow, reverse circulation holes in the area of the property known as Tom's Hammer to test shallow carbonate replacement mineralization. No significant results were obtained and no additional work is planned.

#### Planned Program for Second Half of 2018

As the Company continues to compile the most recent mapping, sampling and drilling results this summer, Newrange's management is planning work programs for the second half of 2018 that will:

- Expand upon ongoing underground surveying, mapping, sampling and modeling of extensive network of unmapped historic mine workings in Pamlico Ridge.
- Generate and drill targets in the Gold Box Area immediately east of and parallel with the Pamlico Ridge trend, where extensive historic workings are now being mapped and sampled.
- Generate additional drill targets further south along the 2.8 mile (4.5 kilometer) long Pamlico Ridge trend as mapping progresses.

#### ***El Dovia Property, Colombia***

The Company's 100% owned El Dovia property, covers more than 1,296 hectares in the Municipio of El Dovia, Department of El Valle, registered in the Company's Colombian subsidiary, Corporacion Minera de Colombia. The property covers high grade, gold rich, poly metallic mineralization approximately 120 kilometers north of Cali, Colombia also in the Department of Valle de Cauca. The Company interprets the mineralization to represent a large, well developed zone of "stringer" mineralization situated stratigraphically below an exhalative Volcanogenic Massive Sulfide (VMS) target.

The Company was awarded the key Concession Contracts in November 2011 and the core exploration area was excluded from the Pacific forest zone in October 2012. Permits for water diversion and discharge were issued to the Company in April 2013 and the Company began its Phase I drilling program in early June 2013. In February 2014, the Company purchased 35 hectares surface rights covering known outcropping mineralization and likely extension's so the Company now has all surface and mineral rights in the area of interest at El Dovia. The 2014, Phase II drilling program began in April 2014 and completed in June 2014.

Individual saw cut channel samples in excess of 100 grams gold per metric tonne (g/T Au) and 10% copper (Cu) have been collected from outcrop and to date up to 30 grams in drill samples. Exploration efforts have identified new mineralization consisting of semi-massive chalcopyrite, pyrite and quartz on trend with the Sabana Blanca Zone in Quebrada El Silencio that extend discontinuously more than 600 meters southwest to the Granizales area indicating the system has a potential strike length in excess of 1,000 meters.

Geochemical results identify a strong MMI anomaly approximately 1 kilometer in length coincident with the Brazo 1 - Sabana Blanca – Granizalles Zones where surface trench sampling results, included: Trench 2 assaying 4.7 g/T Au, 0.47% Cu and 6.2 g/T Ag and 0.5% zinc (Zn) over a 68 meter estimated true width, suggesting possible extensions of the mineralization currently known through mapping, channel sampling and drilling. Multiple other geochemical anomalies exist within the current study area. Follow up work on several of these discovered similar sulfide mineralization with comparable grades of gold, silver, copper and zinc to that contained in the Sabana Blanca zone. Results of diamond saw cut channels of these zones confirm similarities both in grade and style of mineralization with the Sabana Blanca zone and suggest a common source of mineralization.

#### Drilling

To date the Company has completed 2,593 meters of diamond core drilling in to stages at El Dovio. Drilling has been focused on the Sabana Blanca, Sabana Blanca Creek and Brazo 1 zones. Table 1 below presents significant intercepts from that drilling.

Drilling intersects two parallel zones of high grade mineralization within a much broader mineralized halo of stock work mineralization in metamorphosed volcanic rocks. The mineralization appears to form proximal to a large diabase dike. The spatial association of mineralization with the diabase dike indicates potential for significant strike and depth extensions of the Sabana Blanca zone.

Mineralization in the high grade zones contains many structural features indicative of an epithermal vein system and typically consists of multi-phased, colloform banded crystalline quartz cementing multiphased breccias with chalcopyrite, sphalerite and pyrite and is interpreted to represent boiling within a high temperature stringer / feeder zone stragraphically below the principal VMS target. Mineralization in the halo zones is typified by weak to moderate stock work quartz - sulfide veinlets and fracture fillings. Photos of mineralization are available on the Company’s website as are sections through the drill holes.

Drilling confirms down dip continuity and extension of high grade gold, silver, copper mineralization in the Sabana Blanca zone more than 100 meters below outcrop and shows the mineralization remains open to extension both along strike and at depth. Table 1 below presents the announced drill intervals from the Company’s 2013 drill program.

**Table 1 El Dovio Composite Drill Intercepts  
2013 DRILLING**

<b>Drill Hole Number</b>	<b>From</b>	<b>To</b>	<b>Length (m)</b>	<b>Au g/T</b>	<b>Ag g/T</b>	<b>Cu %</b>	<b>Zn %</b>
<b>D13-01A</b>	21.3	120.9	99.6	0.64	1.41	0.08	0.18
	26.0	30.0	4.0	2.26	1.93	0.05	0.15
	69.2	86.3	17.1	2.38	4.03	0.37	0.71
	Including						
	81.4	86.3	4.9	7.28	11.74	1.23	1.99
	including						
	81.4	83.5	2.1	15.60	20.31	2.24	2.09
	114.8	120.9	6.1	7.00	4.36	0.02	0.65
	Including						

	114.8	117.7	3.0	13.77	5.76	0.02	0.13
<b>D13-02</b>	47.5	98.7	51.2	1.15	5.99	1.11	0.16
	51.6	53.5	1.9	3.18	2.33	0.26	0.10
	77.5	92.9	15.4	3.43	17.93	3.60	0.40
	Including						
	79.5	91.9	12.4	4.02	20.23	4.17	0.46
	Including						
	89.3	91.9	2.6	9.36	30.06	5.16	0.50
<b>D13-04</b>	40.0	101.5	61.5	0.60	3.56	0.72	0.13
	71.0	100.6	29.6	1.14	6.86	1.48	0.16
	Including						
	72.0	77.1	5.1	4.02	10.80	1.33	0.36
	and						
	93.0	100.6	7.6	0.95	15.70	4.30	0.26
<b>D13-05</b>	69.0	95.5	26.6	1.66	9.55	1.53	0.36
	Including						
	86.5	93.4	6.9	5.86	34.29	5.89	1.29
<b>D13-06</b>	41.5	59.5	18.0	1.20	3.24	0.57	0.46
	including						
	49.6	51.6	2.0	3.60	3.00	0.07	0.69
	and						
	54.5	56.9	2.4	3.90	15.60	4.00	2.26
<b>D13-07</b>	37.7	83.5	45.8	0.97	3.93	0.55	0.31
	including						
	47.5	56.3	8.8	2.60	12.94	2.68	0.87
	also						
	53.0	56.3	3.3	2.04	26.66	6.83	0.83
<b>D13-08</b>	54.5	91.3	36.8	0.80	1.99	0.26	0.23
	including						
	55.5	58.5	3.0	3.68	11.57	1.91	1.08
	and						
	69.5	72.5	3.0	3.88	5.53	0.63	1.15
<b>2014 DRILLING</b>							
Hole	From	To	Intercept	Au PPM	Ag PPM	Cu %	Zn %
<b>SB14-01</b>	No Significant Intercepts						
<b>Sb14-02</b>	17.0	22.0	5.0	0.57	4.96	0.23	4.0
<b>SB14-03</b>	53.5	64.3	10.8	1.18	3.77	0.26	0.4
	73.6	79.5	5.9	0.78	3.34	0.24	0.2
<b>SBC14-01</b>	61.0	64.0	3.0	8.02	4.90	0.83	0.5
<b>SBC14-02</b>	35.5	40.8	5.3	1.58	15.42	3.96	0.1
	56.9	61.7	4.8	2.14	7.46	1.05	1.5
<b>BR14-01</b>	No Significant						

	Intercepts						
<b>1360-01</b>	0	31.8	31.8	1.56	4.22	0.59	0.32
including	0	18.4	18.4	2.25	6.03	1.01	0.46
including	4.3	9.5	5.2	4.39	7.01	1.67	0.56
including	4.3	5.3	1.0	13.01	24.60	7.10	1.70
1360-02	0	27.5	27.5	2.3	6.2	.2	.9
Including	1.5	11.8	10.3	5.2	12.3	.5	2.2
Including	4.3	10.3	6.0	7.9	18.2	.8	3.7
1360-03	0	20.5	20.5	1.5	12.6	0.1	0.6
	4.4	9.4	5.0	6.8	13.1	0.5	4.1

The Company's work has identified a mineralized zone ranging from 10 to 68 meters wide by 1 kilometer long in surface trenches that has been drill tested more than 200 meters down dip. Previously reported drill holes by the Company include hole D13-01A: 4.9 meter averaging 4.9 g/t Au, 11.7 g/t Ag, 1.23% Cu and 2.0% Zn and hole D13-05 : 6.9 meter averaging 5.9 g/t Au, 34.3 g/t Ag, 5.9% Cu and 1.3% Zn.

Metallurgical tests performed for the Company by McClelland Laboratories Inc. of Reno, Nevada indicate mineralization at El Dovio responds very well to conventional froth flotation, yielding recoveries of 96.4% for gold, 97.8% for copper, 91.1% for silver and 96.8% for zinc.

#### **Discussion of Drill Results**

Drill results thus far corroborate the high grade nature and extent of mineralization as indicated in the surface and underground channel sampling in the Sabana Blanca zone. Results of outcrop and underground sampling combined with drilling confirm more than 200 meters of down dip continuity of mineralization with a potential strike length in excess of one (1) kilometer in the steeply south dipping Sabana Blanca zone. Mineralization in this target zone remains open along strike and to depth.

Drilling in the Sabana Blanca zone at El Dovio commonly intersects two parallel zones of high grade mineralization within a much broader mineralized halo of stock work mineralization hosted in metamorphosed volcanic rocks. High grade mineralization occurs along the margins of a large diabase dike and enclosing volcanic rocks. The spatial association of mineralization with the diabase dike indicates potential for significant strike and depth extensions of the Sabana Blanca zone.

Mineralization in the high grade zones consists of multi-phased, colloform banded quartz, with chalcopyrite, sphalerite and pyrite that commonly exhibit multiple phases of brecciation and mineralization. Mineralization in the halo zones is typified by moderate to weak stock work quartz - sulfide veinlets and fracture fillings. Photos of mineralization are available on the Company's website as are sections through the drill holes. Other similar zones including the Granizales located 550 meters to the southwest of the Sabana Blanca zone may also be associated with similar dike structures.

Drilling in the Brazo 1 zone, hole BR 14-01 discovered well developed bedded sulfides with anomalous gold, silver, copper and zinc values in cherty, carbonaceous sediments. The nature and character of mineralization in Brazo 1 is materially different than seen in drill holes in the Sabana Blanca Zone and strongly indicative of the exhalative horizon of a Volcanogenic Massive Sulfide (VMS) style target similar to Atico Mining's (TSX-V:ATY), Minera El Roble.

## Notes and Comments

Holes reported here test of a portion of the mineralized zone but do not cross the entire zone due to limitations of access. All drill intercepts reported are drilled intercept length. Insufficient drilling has been completed in this area to reasonably determine the geometry and estimate true width.

## Sample Collection - Quality Control – Quality Assurance

The Company's samples were collected in accordance with accepted industry best practices. Core was transported from the site to the Company's core facility in Medellin, Colombia by Company personnel. After being logged, photographed, diamond saw cut and sampled, samples were delivered to the SGS's Medellin laboratory for preparation and analyses, (ISO9001:2000). Gold is analyzed by fire assay with an ICP/AES finish. Silver and base metal analyses were determined with ICP/AES techniques. The Company maintains and continuously monitors its rigid QC-QA through insertion of a series of blank, duplicate, certified standard samples at a rate of 1:30 or higher into the sample stream.

## ***Anori Property, Colombia***

The Company's Anori project is located in the Anori-Porce Mining District north of Medellin in the Department of Antioquia, where Spanish Colonial and pre-colonial gold production reportedly exceeded 2.5 million ounces. The Company has been awarded the Concession Contracts at Anori covering 7,000 hectares.

The property completely surrounds an active mining operation where individual samples in excess of 80 grams gold per metric tonne have been collected and where the Company has sampled a true width of 17 meters assaying over 6 grams gold per metric tonne in structures that trend directly into the Company's license. Gold mineralization is found in metamorphosed, sheared, silica flooded and quartz veined carbonaceous sediments along two distinct sets of structures, one trending east – west, and the other trending almost north - south. Several of the largest historic producing mines in the Anori area including Mina Violin and Mina La Constanzea are situated along one or more of these structures and on trend with the Company's Anori Property.

**On October 17, 2016**, the Company announced that it granted an option to purchase the Company's Anori project to a private Colombian party (the "Buyer") for US\$820,000.

Under the terms of the Agreement, the Buyer could purchase a 100% interest in the Anori Concession Contract subject to a permanent one and one half percent (1.5%) Net Smelter Returns ("NSR") royalty on production from the Anori Concession. The Anori Concession surrounds the Buyer's Mina Solferino, a high grade, fully permitted, underground mine and 100 tonne per day milling operation, on three sides, the fourth side being a large hydroelectric reservoir that is not open to mineral entry under Colombian Law.

During the year ended April 30, 2018, the optionee defaulted on the payment of US\$50,000 and the company is currently pursuing remedies available to it under Colombian law.

## ***Yarumalito Property, Colombia***

The Company owns an entire 100% interest in the consolidated Yarumalito mineral license registered in the name of the Company's Colombian operating subsidiary. Accessible from Medellin, Colombia via

paved road, heavy duty electrical power is available on the Yarumalito property and a work force of more than 18,000 persons who live within 15 minutes drive from the property.

The Company was granted a consolidation of the Yarumalito mineral licenses into a single unified exploration license as allowed by the 2010 Colombian Mining Law. This consolidation simplifies management and exploration of the Yarumalito project going forward, extinguishes historical deficiencies and allows the entire property to be managed as a single integral mineral license, with up to an 11 year exploration period while streamlining permitting and reporting to regulatory agencies.

The Yarumalito project is situated along the Cauca – Romeral section of the Andean Porphyry Belt, approximately 10 kilometers north of Marmato Mountain; one of the oldest and largest producing lode gold mining complexes in Colombia. Gold mineralization at Yarumalito exhibits characteristics of typical porphyry mineralization similar to other gold dominant porphyry deposits along the prolific Cauca-Romeral Gold Belt. High-grade vein style gold mineralization has overprinted porphyry mineralization, where drilling has intersected values to 33.75 grams of gold per metric tonne over 1.9 meters.

Work performed at Yarumalito includes property wide MMI geochemistry, conventional “B” horizon soil geochemistry covering 95% of the property, property wide high resolution air magnetics and radiometric surveys, property wide general geologic mapping and detailed geologic mapping in target areas along with the collection of more than 5,000 surface and underground rock geochemical samples. To date more than 18,000 meters of diamond drill core have been completed, logged, saw cut and assayed. Metallurgical tests of large diameter column leach tests on composited intervals from drilling show potential amenability to heap leach processing.

Between 2006 and late 2011, the Company completed more than 15,800 meters of diamond core drilling focused on the highly prospective Escuela and Balastreras target zones with a very high success rate. Table 3 below presents a partial list of drill intercepts from the 2006 – 2011 drilling as previously announced.

**Table 3. Colombian Mines Partial Drill Results, Yarumalito 2006 Through 2011**

Hole Number	Depth (m)	Inclin. (Deg.)	From (m)	To (m)	Length (m)	Gold (g/T)	Copper %
YAR-01	328.7	-47	0.0	70.2	70.2	0.60	N/A
YAR-02	372.2	-60	0.0	77.3	77.3	0.50	N/A
YAR-03	377.5	-46	141.5	269.8	128.3	0.46	N/A
YAR-04	281.8	-60	186.6	359.7	173.1	0.51	N/A
YAR-06	257.0	-50	0.0	257.0	257.0	0.50	0.10
YAR-07	244.0	-50	0.0	124.0	124.0	0.54	0.12
YAR-08	250.0	-50	0.0	250.0	250.0	0.51	0.13
YAR-11	282.0	-50	0.0	141.4	141.4	0.77	0.09
YAR-14	281.8	-60	75.1	170.6	95.5	0.70	0.09
YAR-23	130.0	-45	4.0	120.8	116.8	0.49	0.08
YAR-24	151.0	-50	0.0	151.0	151.0	0.64	0.07

Note: N/A – Not Assayed

Other:

The Company is continually engaged in discussions with companies interested in entering into joint venture or option agreements from our portfolio of properties. The Company will continue to conduct geochemical, geophysical, mapping and rock sampling programs to assess the target potential of applications and contracts in our Colombian property portfolio and management will continue to actively seek suitable JV partners for certain of the Company’s properties. Continuing strong gold, silver

and copper prices, improving physical security in Colombia, and on-going discovery success in the country, continue to generate interest in our portfolio from companies seeking to enter Colombia through either joint venture or property purchase opportunities.

#### **Technical Disclosure**

Mr. Robert G. Carrington, P.Geo., a Qualified Person as defined by National Instrument 43-101 and President of the Company, has reviewed and verified the technical information that forms the basis of the above technical disclosure on exploration activities in this MD&A.

### **RESULTS OF OPERATIONS**

#### **Year Ended April 30, 2018**

During the year ended April 30, 2018, the Company recorded a net loss of \$3,944,913 (2017 - \$1,333,035). Significant fluctuations include the following:

- i) Administration and other costs increased to \$413,675 (2017 - \$143,766) due to increased use of consultants as well as increased fees from consultants who previously took reductions in pay.
- ii) Exploration expenditures increased to \$2,203,233 (2017 - \$350,257). Current period's exploration costs were higher primarily due to assaying, drilling, field costs and administration, consultants and salaries at the Pamlico Property.
- iii) Investor relations and shareholder information increased to \$276,952 (2017 - \$78,670) primarily as a result of increased activities in the current year, including increased attendance at trade shows and increased travel and promotional activities.
- iv) Professional fees increased to \$71,928 (2017 - \$50,593) primarily as a result of an increase in legal and audit fees.
- v) Salaries increased to \$161,050 (2017 - \$Nil) due to salaries related to work done on the Pamlico property.
- vi) Share-based compensation increased to \$752,500 (2017 - \$658,000) as a result of stock options granted in the current year.
- vii) Transfer agent and filing fees increased to \$49,748 (2017 - \$34,448) due to increased share activities during the current year.

#### **FOURTH QUARTER**

There were no significant events or transactions during the quarter ended April 30, 2018.

#### **LIQUIDITY AND CAPITAL RESOURCES AND GOING CONCERN**

Working capital at April 30, 2018 was \$407,460. At April 30, 2017, the Company had working capital of \$1,550,836.

The consolidated financial statements were prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties and lenders, complete sufficient public equity financing, or generate profitable operations in the future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the mineral properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. Additionally the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

#### ANNUAL FINANCIAL INFORMATION

<b>Years Ended</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Financial Results</b>			
Exploration expenditures	\$ 2,203,233	\$ 350,257	\$ 267,391
Net income (loss)	(3,944,913)	(1,333,035)	48,986
Loss per income (loss) share - basic and diluted	(0.06)	(0.03)	0.00
<b>Financial Position</b>			
Working Capital	\$ 407,460	\$ 1,550,836	\$ 95,612
Mineral Properties	2,360,042	2,006,026	1,446,335
Total Assets	3,241,576	3,829,117	1,779,060
Share Capital	23,101,817	20,364,620	18,030,718
Deficit	(29,874,260)	(25,929,347)	(24,596,312)

#### QUARTERLY INFORMATION

<b>Quarter Ended</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Apr. 30</b>	<b>Jan. 31</b>	<b>Oct. 31</b>	<b>Jul. 31</b>
Exploration expenditures	\$ 525,278	\$ 436,204	\$ 739,935	\$ 501,816
Administrative and other items	122,206	90,382	41,750	159,337
Net loss for the quarter	(961,250)	(611,644)	(1,457,349)	(914,670)
Net loss per share (Basic and diluted)	(0.01)	(0.01)	(0.02)	(0.02)
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>

<b>Quarter Ended</b>	<b>Apr. 30</b>	<b>Jan. 31</b>	<b>Oct. 31</b>	<b>Jul. 31</b>
Exploration expenditures	\$ 162,339	\$ 61,840	\$ 26,043	\$ 100,035
Administrative and other items	87,252	32,162	12,075	12,277
Net loss for the quarter	(841,833)	(104,871)	(179,903)	(206,428)
Net loss per share (Basic and diluted)	(0.03)	(0.00)	(0.01)	(0.00)

#### **OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements or obligations that are not disclosed in the financial statements.

#### **RELATED PARTY TRANSACTIONS**

The aggregate value of transactions and outstanding balances relating to key management personnel, being officers and directors, were as follows:

<b>For the year ended April 30, 2018</b>	<b>Salary or Fees</b>	<b>Share-Based Payment</b>	<b>Total</b>
Management Compensation	\$ 371,085	\$ 117,276	\$ 488,361
Director Compensation	-	161,867	161,867
Cross Davis & Company LLP	63,000	-	63,000
	\$ 434,085	\$ 279,143	\$ 713,228

<b>For the year ended April 30, 2017</b>	<b>Salary or Fees</b>	<b>Share-Based Payment</b>	<b>Total</b>
Management Compensation	\$ 66,895	\$ 154,951	\$ 221,846
Director Compensation	-	160,513	160,513
Cross Davis & Company LLP	37,000	24,347	61,347
	\$ 103,895	\$ 339,811	\$ 443,706

<b>Related party assets and liabilities</b>	<b>April 30, 2018</b>	<b>April 30, 2017</b>
Due to Management*	\$ 29,266	\$ 70,908

\* due to management consists of fees owing to two key management personnel for consulting fees.

Cross Davis & Company LLP provided management services including a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to Newrange. At April 30, 2018, the Company has prepaid for \$10,500 (2017 - \$10,500) to Cross Davis for future services.

## **CHANGES IN ACCOUNTING STANDARDS**

Please refer to the April 30, 2018 financial statements on [www.sedar.com](http://www.sedar.com) for accounting policy pronouncements.

## **FINANCIAL INSTRUMENTS**

### **Financial Risk Management**

Colombian's strategy with respect to cash is to safeguard this asset by investing any excess cash in very low risk financial instruments such as term deposits or by holding funds in the highest yielding savings accounts with major Canadian banks. By using this strategy the Company preserves its cash resources and is able to marginally increase these resources through the yields on these investments. The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

### **Foreign currency risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Colombia, and the US. The Company funds cash calls to its subsidiaries outside of Canada in US dollars and a portion of its expenditures are also incurred in Colombian pesos and US dollars. The greatest risk is the exchange rate of the Canadian dollar relative to the Colombian peso and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through assets and liabilities denominated in Colombian pesos and US dollars. However a 10% change in the exchange rate of the Colombian peso and US dollar to the Canadian dollar would result in only a nominal increase or decrease to the loss from operations.

### **Credit Risk**

The Company's cash and cash equivalents are mainly held through large Canadian financial institutions and are mainly held in term deposits and accordingly, credit risk is minimized.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources as outlined in Note 12 of the consolidated financial statements. The Company's objective is to ensure that there are sufficient committed financial resources to meet its business requirements for a minimum of twelve months.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held mainly in term deposits and therefore there is currently minimal interest rate risk.

## **RISKS AND UNCERTAINTIES**

### **Mineral Property Exploration and Mining Risks**

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's

properties has a known commercial ore deposit. The main operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

The Company is currently earning an interest in certain of its properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property.

The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

### **Financing and Share Price Fluctuation Risks**

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as Colombian, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on Colombian's ability to raise additional funds through equity issues.

### **Political and Currency Risks**

The Company is operating in a country that has had a stable political environment. Changing political situations may affect the manner in which the Company operates. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its exploration expenditures in Colombian pesos or in US dollars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the US dollar or the Colombian peso could have an adverse impact on the amount of exploration conducted.

### **Insured and Uninsured Risks**

In the course of exploration, development and production of mineral properties, Colombian is subject to a number of risks and hazards, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's property or facilities and equipment, personal injury or death,

environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and result in a decline in the value of the securities of the Company. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

### **Environmental Risks and Hazards**

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect Colombian's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

### **Competition**

Colombian will compete with many companies and individuals that have substantially greater financial and technical resources than the Company, for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

### **OUTSTANDING SHARE DATA AT AUGUST 28, 2018**

There are 78,320,565 common shares issued and outstanding and 5,176,403 stock options issued and outstanding to directors, officers, employees and consultants of the Company with exercise prices ranging from \$0.16 to \$0.60 and which expire from August 30, 2018 through March 29, 2022. The Company also has 11,624,463 share purchase warrants outstanding with an exercise price ranging from \$0.17 to \$0.45 which expire from November 14, 2018 through November 15, 2021.

### **CHANGE OF DIRECTORS**

In February 2017, the Company announced that long time director Donn Burchill resigned from the Company's board of directors for personal reasons.

The board welcomed Ron Schmitz of ASI Accounting Services Inc. in Vancouver, B.C. who replaced Mr. Burchill effective February 15, 2017 as an independent director. Mr. Schmitz has extensive experience in the governance of junior sector companies, a strong financial background and currently sits on the boards of Blackbird Energy Inc. and Black Lion Capital Corp. and was a director and CFO/Executive VP of Gold Canyon Resources Inc.

In March 2018, the Company announced the appointment of Robert Archer as a director of the Company. Mr. Archer's highly successful career spans more than 37 years in exploration, mining and executive management of resource sector companies. Most recently, in his position as Co-founder, President, CEO and Director, he successfully took Great Panther Silver from concept to a highly successful Toronto (TSX: GPR) and New York (NYSE American: GPL) listed mining company with a market capitalization of more than \$250 million with two operating mines in Mexico and a third under development in Peru. Mr. Archer is a Professional Geologist (BC) and holds an Honours B.Sc. in Geology from Laurentian University in Sudbury, Ontario.