

# VOYAGEUR MINERALS LTD.

## MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE NINE MONTHS ENDED AUGUST 31, 2019

This management's discussion and analysis ("**MD&A**") presents an analysis of the consolidated financial position of Voyageur Minerals Ltd. ("**Voyageur**" or the "**Corporation**") for the nine months ended August 31, 2019. The following information should be read in conjunction with the Corporation's unaudited consolidated interim financial statements and related notes for the nine months ended August 31, 2019 and the audited annual consolidated financial statements and related notes for the year ended November 30, 2018, all of which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

### **DATE OF REPORT**

This MD&A is dated October 30, 2019 and presents material information up to this date.

The reader is encouraged to review the Corporation's filings with Canadian securities regulators on [www.sedar.com](http://www.sedar.com).

### **FORWARD-LOOKING STATEMENTS**

This MD&A contains certain statements or disclosures relating to Voyageur that are based on the expectations of its management as well as assumptions made by and information currently available to Voyageur which may constitute forward-looking statements or information ("**forward-looking statements**") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Voyageur anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "continue", "estimate", "expect", "may", "intends", "will", "should", "can", "plan", "believe" and similar expressions.

In particular, but without limiting the foregoing, this MD&A contains forward-looking statements pertaining to the following: the radiology imaging contrast market; Voyageur's joint ventures; the Corporation's mineral exploration and development activities; the Lithium, Iodine and Bromine markets; the contrast media market; medical injectables; the Corporation's Health Canada registrations; Voyageur's mining properties, assets and operations; financial instruments and liquidity; the Corporation's capital and resource outlook; and the Corporation's business plan and strategies.

The forward-looking statements contained in this MD&A reflect several material factors, expectations and assumptions of Voyageur including, without limitation: that Voyageur will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; availability of debt and/or equity sources to fund Voyageur's capital and operating requirements as needed; and certain cost assumptions.

Voyageur believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: general economic, market and business conditions; the inherent risks involved in the exploration and development of mineral properties; the uncertainties involved in interpreting drilling results and other geological data; uncertainties related to completion results of planned exploration and development programs on Voyageur's properties; commodity price volatility; economic and political events; possible

variations in mineral resources; issuance of licenses and permits; the availability of and costs of financing needed in the future; increases in market prices of mining consumables and capital equipment; accidents; labour disputes; title disputes; claims and limitations on insurance coverage; delays in obtaining governmental approvals; changes in national and local government regulation of mining operations; changes in tax rules and regulations; reliance on industry partners; and certain other risks detailed from time to time in Voyageur's public disclosure documents including, without limitation, those risks identified in this MD&A, and in Voyageur's management's discussion and analysis for the year ended November 30, 2018, copies of which are available on Voyageur's SEDAR profile at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Corporation undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

## **DESCRIPTION OF BUSINESS AND OVERVIEW**

Voyageur is listed on the TSX Venture Exchange under the trading symbol 'VM'. Voyageur is focused on the development of Barium Sulfate ("**Barite**") and Iodine and Bromine active pharmaceutical ingredient ("**API**") minerals for the pharmaceutical market.

The Corporation expects that near-term cash flow will be achieved through its recently signed joint venture with Chief Medical Supply Ltd. ("**Chief Medical**"), for turnkey manufacturing, bottling and distribution of Barium and Iodine radiopharmaceuticals for MRI, X-ray and CT scan applications.

Voyageur owns 100% interests in three Barite deposits, including two properties suitable in grade for the industrial Barite marketplace, including interests in a high-grade Iodine, Bromine and Lithium brine project in Utah, USA.

The address of the Corporation's registered and records office is 3400, 350 – 7th Ave S.W., Calgary, Alberta, T2P 3N9. The head office of the Corporation is located at 255, 339 – 50th Avenue S.E., Calgary, Alberta, T2G 2B3.

## **OUTLOOK**

### **A. Pharmaceutical Radiocontrast Joint Venture**

Based on the results of the Corporation's 2017 drilling programs on its Frances Creek property (Barite), and its Paradox Basin joint venture properties in Utah (Iodine, Bromine and Lithium), the Corporation is pursuing sales into the pharmaceutical Barium and Iodine contrast and Bromine medical application markets, relying on the Corporation's potential supply of API for these products.

The Corporation entered into a joint venture agreement with Chief Medical on November 8, 2018 to engage in the development, marketing and commercialization of human and animal radiographic contrast agents and related pharmaceutical products, focusing on the development of Barite contrast products. Management believes that Chief Medical has the expertise and capability to produce these pharmaceutical agents. The Corporation expects that this joint venture will be expanded to include Iodine contrast products and Bromine for medical applications. The first products that Voyageur plans to launch are five Barium contrast agents. This joint venture has a total of nine Barium products in the developmental pipeline, with two having been submitted to Health Canada for registration and seven more products that the Corporation expects to submit in the coming months. This joint venture is also developing five Iodine products which will be submitted for registration after the Barium contrast products are approved. All Barium product manufacturing will be at Chief Medical's existing facility in Calgary,

Alberta. All Iodine product manufacturing is expected to be completed at Chief Medical's Mississauga, Ontario pharmaceutical plant.

The Corporation's joint venture with Chief Medical is conducted through ImagingX Pharmaceuticals Ltd. ("**ImagingX**"). ImagingX has completed several milestones to date:

1. Formulation of nine Barium contrast products.
2. Commencement of third-party review of five Barium products.
3. Implemented Iodine research and development studies for formulation of ImagingX's first five Iodine products.
4. Purchased 2,000,000 grams of Barite and ordered an additional 2,000,000 grams of Barite made in order to produce approximately 230,000 of bottles of Barium contrast for sale to market.

Upon receipt of Health Canada registration, the Corporation expects that ImagingX will:

1. Commence phase 1 market testing of products.
2. Tool and test its production line.
3. Implement a marketing and sales program to public and private clinics.

ImagingX estimates that sales may commence approximately 8 to 12 months after the Barite has been registered with Health Canada.

## **B. Mining**

Voyageur owns 100% interests in three Barite deposits, including two properties suitable in grade for the industrial Barite marketplace, including interests in a high-grade Iodine, Bromine and Lithium brine project in Utah, USA.

### **Bulk Sample Program**

Voyageur has completed its phase three drilling program on the Frances Creek property. The next step is to mine a 10,000 tonne resource bulk sample. This will be done after a preliminary economic assessment ("**PEA**") and engineering plan has been completed and funding has been secured for the Corporation to build a Barium processing plant. Voyageur is actively pursuing financing in order to achieve these milestones.

Voyageur plans to take a bulk sample at Francis Creek. The bulk sample is estimated to take four months to mine and process. Drill results and resource estimates have been reported on the Frances Creek property in a National Instrument 43-101 *Standards for Disclosure for Mineral Projects* ("**NI 43-101**") report filed on www.sedar.com on July 24, 2018.

### **ULI Subterranean Pressurized Lithium Brine Project<sup>1</sup>**

Voyageur plans to focus on the exploration and development of the ULI Subterranean Pressurized Lithium Brine Project in Utah (the "**ULI Project**"). The Corporation's goal is to supply ImagingX with Bromine for pharmaceutical products and Iodine for contrasts and other pharmaceutical grade products. Voyageur acquired an acreage in the Paradox Basin located in Utah and staked an area covering the Roberts Rupture fault zone which is located on the southwest flank of the Kings Bottom Syncline.

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<sup>1</sup> All the information concerning Lithium in this section has been acquired from the Utah Department of Natural Resources and historical corporate documents from previous operating companies. The Corporation believes these sources to be reliable; however, the Corporation has not verified any of the information.

## Lithium King Property<sup>1</sup>

The Lithium King property is a secondary project that requires initial drilling to test various zones to depth. Voyageur has staked 1,392 acres (71 claims) in the Bonneville Salt Flats area in Utah. Based on published Lithium values in numerous surrounding brine monitoring wells, the average Lithium grades are 215 parts per million with the highest grades recorded at 1,200 parts per million Lithium. The Lithium brine aquifer is found near the surface and Voyageur has a free flowing surface brine on the claims. The basin fill which underlies Lithium King is estimated to be at least 500 meters thick. There are indications that the deeper brines below the fill are controlled by geothermal fluids flowing along buried faults. The Corporation's objective is to farm out this project via a joint venture or similar arrangement and have its partner drill to depth and identify higher grade zones of Lithium rich brine. The property is not expected to produce Iodine.

## Qualified Person Statement

Mr. Bradley Willis, P.Eng., is a "qualified person" as defined by NI 43-101 guidelines and has reviewed and approved the contents of this MD&A.

## Joint Venture Agreement

The Corporation and Anson are parties to a joint venture agreement. The Corporation and Anson are currently in dispute as to whether or not the Corporation's first 40% earn-in has occurred under the terms of the agreement. Constructive discussions between the parties were revived in late August 2019 and have been positive to date.

## Exploration and Evaluation Assets

A summary of the capitalized acquisition and exploration expenditures on the Corporation's exploration and evaluation assets for the nine months ended August 31, 2019 and the year ended November 30, 2018 are as follows:

	Canada			USA		Total
	Frances Creek	Jubilee Mountain	Pedley Mountain	Paradox Basin	Lithium King	
<b>Balance, Nov 30 2017</b>	\$ 445,671	\$ 72,251	\$ 39,250	\$ 82,849	\$ 85,440	\$ 725,461
Claims fees	1,000	-	3,054	-	-	4,054
Geological and consulting	137,933	-	-	69,584	30,446	237,963
Assays and surveys	3,198	-	-	-	-	3,198
Site expenses	5,459	-	-	-	-	5,459
Insurance	6,190	-	-	-	-	6,190
Salaries and wages	64,134	-	-	-	-	64,134
Depreciation of exploration equipment	12,636	-	-	-	-	12,636
Mining exploration tax credit	(68,011)	-	-	-	-	(68,011)
<b>Balance, Nov 30 2018</b>	<b>608,210</b>	<b>72,251</b>	<b>42,304</b>	<b>152,433</b>	<b>115,886</b>	<b>991,084</b>
Claims fees	8,002	-	-	19,837	15,864	43,703
Geological and consulting	678	14,440	3,500	-	-	18,618
Assays and surveys	3,322	-	-	-	-	3,322
Site expenses	4,698	-	134	-	-	4,832
Insurance	5,353	-	-	-	-	5,353
Salaries and wages	49,717	-	-	-	-	49,717
Depreciation of exploration equipment	7,596	-	-	-	-	7,596
Mining exploration tax credit	-	-	-	-	-	-
<b>Balance, Aug 31, 2019</b>	<b>\$ 687,576</b>	<b>\$ 86,691</b>	<b>\$ 45,938</b>	<b>\$ 172,270</b>	<b>\$ 131,750</b>	<b>\$ 1,124,225</b>

## STRATEGIC FOCUS

Voyageur believes it is positioned to tap into the Barium radiographic contrast media market through the ImagingX joint venture. Voyageur has hired SGS Canada Inc. (“**SGS**”) as an independent consultant to the Corporation to conduct final stage United States Pharmacopeia Barium sulfate testing. The goal of this testing is to determine processing procedures that might guide development of the engineering plan and a PEA for Frances Creek. This study will also consider economic and engineering factors for the production of high-end Barium products. ImagingX has developed five products (HDXba, MultiXba, MultiXthin, MultiXthick and SmoothX Barium suspension contrasts) for sale into the radiographic pharmaceutical market. ImagingX is preparing the products for submission to Health Canada for registration.

The Corporation intends to pursue further exploration and development of multiple Iodine-based contrast injectables and is investigating the potential for development of nano mineral contrast for magnetic resonance imaging applications. The Corporation intends to ultimately implement a global strategy for sales and distribution, starting with local and regional markets where Chief Medical already has an established distribution pipeline. The Corporation’s objective is to create a unique, fully integrated pharmaceutical company in the radiographic healthcare marketplace. The Corporation believes that owning much of the source API and controlling costs along the supply and production chain will allow the Corporation to be competitive within this industry.

Furthermore, the Corporation also has an interest in the future of the Iodine radiographic contrast and Iodine supplement markets with the Corporation’s stake in the ULI Project. Voyageur is working with Anson which has successfully produced Bromine, Iodine and Lithium from high volume mineral rich brines in bench scale laboratory testing.<sup>2</sup>

## RISK FACTORS

### General

#### Operating History

The business of the Corporation should be considered highly speculative due to its present stage of development. Further, the Corporation has limited cash and other assets, negative net working capital, no revenue and a limited business history.

#### Nature of Operations and Going Concern

The Corporation’s unaudited financial statements for the period ending August 31, 2019 have been prepared on the assumption that the Corporation will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Corporation is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. Recovery of the capitalized costs shown for mineral properties will likely require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

The joint venture company, ImagingX, has currently filed for two product registrations with Health Canada. The Corporation intends to register three other Barium products. ImagingX has a total of nine Barium based products it is developing. While the Corporation is not aware of any material reasons why the registrations will not be approved, there is no guarantee that this will be the case.

As at August 31, 2019, the Corporation had not yet achieved profitable operations, has accumulated losses of \$2,695,579 since inception and expects to incur further losses in the development of its business, all of which creates substantial risk for the Corporation’s ability to continue as a going concern.

<sup>2</sup> Source: Anson Paradox Basin JORC report.

The continued operations of the Corporation are primarily dependent on its ability to raise financing from equity and/or debt markets or from other sources and there is no assurance that it will be able to do so in the future on reasonable terms or at all. The Corporation's unaudited financial statements for the nine months ending August 31, 2019 do not give effect to adjustments, if any, that would be necessary should the Corporation be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Corporation's assets and liabilities on a liquidation basis could be material to these financial statements.

#### Need for Additional Funds

The Corporation has very limited financial resources and there can be no assurance that additional funding will be available to it for further exploration and development of its mining projects or to fund the Joint Venture on reasonable terms or at all. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of its projects with the possible loss of mineral properties or the Joint Venture. If financing is raised through the issuance of shares from the Corporation's treasury, control of the Corporation may change and investors would be subject to further dilution in any event.

### **Mining Risks**

#### Mining Operations

Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Further, none of the Corporation's Barite or Lithium, Iodine or Bromine properties (the "**Properties**") have known commercial reserves as defined by NI 43-101. Currently, the Frances Creek property is categorized as a "resource" rather than a "reserve". Voyageur has elected to forego the pre-feasibility and feasibility study process and intends on completing the PEA followed by a bulk sample and then production. There is risk and uncertainty related to this approach by the Corporation, including the inability to establish a reserve value in accordance with NI 43-101. Any exploration programs thereon are exploratory searches for commercial resources, which increases the degree of risk substantially as compared to properties in the development stage. In addition, the Corporation's other two Barite properties – Pedley Mountain and Jubilee Mountain – may be difficult or impossible to access during periods of inclement weather, which are risks normally encountered by many industry participants.

Few mineral properties which are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of minerals will be classified as reserves or resources on the Corporation's properties. The PEA is required to determine the commercial viability of the Frances Creek property. The discovery of mineral resources depends upon a number of factors, not the least of which is the technical skill for the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Corporation. These factors include government regulation, high levels of volatility in market prices, availability of adequate transportation and refining facilities and the imposition of new, or amendments to existing, taxes and royalties. The effect of these factors cannot be accurately predicted.

Whether a mineral resource, once discovered, will be commercially viable also depends on a number of factors, some of which include the particular attributes of the resource, such as size, grade and proximity of infrastructure, as well as mineral prices, which are highly cyclical. Specifically, with respect to Voyageur's Utah Lithium properties, the Lithium occurs with high Magnesium which creates significant challenges in separation of the Lithium. Most of the above factors are beyond the control of the Corporation. The Corporation must also compete with a number of companies that have greater technical and financial resources. The Corporation is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered and the date when production will commence from any such discovery, if at all.

### Government Regulations and Market Risks

Mining operations are subject to government regulation. Operations may be affected in varying degrees by government regulation such as restrictions on production, price controls, tax increases, expropriation of property, environmental and pollution controls or changes in conditions under which minerals may be marketed. Should the Corporation be unable to obtain the necessary regulatory approvals, or should obtaining or complying with the terms of the necessary approvals require funds in excess of the resources of the Corporation, the development of the Properties may be delayed.

An excess supply of certain minerals may exist from time to time due to lack of markets and restrictions on exports. The marketability of both base and precious metals will be affected by numerous factors beyond the control of the Corporation. These factors include market fluctuations and government regulations relating to prices, taxes, royalties, allowable production and importing and exporting minerals. The effect of these factors cannot be accurately determined.

### Conflicts

The directors of the Corporation are engaged and will continue to be engaged in the search for mining interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Corporation. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the *Business Corporations Act* (Alberta) which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material contract with the Corporation to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act* (Alberta).

### Operating Hazards and Environmental Liabilities

The Corporation's mining operations will be subject to all of the operating risks normally attendant with mineral exploration and development. The Corporation carries basic liability insurance with other insurance needs met on a project-by-project basis.

The Corporation may become subject to liability for destruction of mineral properties or facilities, personal injury, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment for such liabilities would reduce the funds available for exploration and mining activities, and may have a material adverse effect on the Corporation's financial position.

### Industry Conditions

The mining industry is highly competitive and the Corporation must compete with many companies with greater financial strength and technical resources. Generally, there is intense competition for the acquisition of resource properties considered to have commercial potential. Prices paid for minerals produced are subject to market fluctuations and will directly affect the profitability of producing any mineral reserves which may be developed by the Corporation. Mining operations, including exploration, are subject to extensive government regulation. Operations may be affected from time to time in varying degrees by political and environmental developments, such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls and changes in conditions under which certain minerals may be exported.

### Foreign Jurisdiction

Certain of Voyageur's mining properties are located in the United States and the enforceability, certainty and permanence of laws in foreign countries cannot be assured. The Corporation's title to its foreign

properties, the right to work the same and to expatriate profits, if any, may be adversely affected. The Corporation is also at risk to adverse foreign exchange movements.

Mining operations in Canada, United States and elsewhere are subject to extensive regulation by local, provincial, state and federal governments. Future changes in governments and regulation could adversely affect mining in Canada and the United States. The development of mines and related facilities is contingent upon government approval which must be obtained through statutory review processes.

No current title opinion or report has been obtained regarding the Properties. The Properties may be subject to prior unregistered agreements, interests or native land claims and title may be affected by undetected defects.

## **Pharmaceutical Risks**

The Corporation and ImagingX have several milestones to achieve before they can commence operations of any kind. Accordingly, there are several preoperational and operational risks facing ImagingX.

### Pre-Operational Risks

#### Joint Venture

ImagingX's success in the pharmaceutical business is dependent, almost entirely, on the Joint Venture and its joint venture partner, Chief Medical. If Chief Medical were unable or unwilling to meet all of its obligations under the Joint Venture, for whatever reason, the proposed business of ImagingX would be delayed and constrained indefinitely or would fail altogether.

#### Lack of Experience and Facing New Markets

Neither the Corporation nor any of its principals have experience in the pharmaceutical markets it intends to enter. There is no assurance that ImagingX will be able to successfully market its products or that such efforts will result in positive earnings.

#### Business Plan and Strategy

The Corporation's strategy for entering into pharmaceutical contrast media markets is dependent, to a large degree, on its ability to extract Barite from the Frances Creek property on a commercially viable basis and, to a lesser degree, for its Utah interests to produce Iodine and Bromine on a commercially viable basis. Voyageur does not have proven reserves in either case, has not established economic viability of its property interests and there is no assurance that it will be able to do so.

#### Reliance on Third-Party Suppliers for API

It is questionable whether the Corporation will be able to supply ImagingX with Barite for Barium products from its own mineral properties prior to production, and it is highly unlikely the Corporation will be supplying Iodine or Bromine from its own properties prior to production of Iodine and Bromine products. As a result, the Corporation will need to source of suitable grade and quality API's from third-party sources and there is no assurance the Corporation will be able to do so consistently or at all.

#### No Proprietary Protection

ImagingX will not have any proprietary protection for any of its proposed products and will have to rely on low-cost production, innovation and effective market strategies to be successful. There is no assurance that ImagingX will be able to achieve these goals.

## Regulatory Approvals

The Joint Venture cannot commence operations or marketing any pharmaceutical products until it receives regulatory approval for each product. There is no assurance that it will receive any such approvals.

## Operational Risks

In addition to the Pre-Operational Risks noted above, the proposed business of the Corporation and ImagingX will face the following operational challenges and risks:

### Competition

ImagingX will be competing against established pharmaceutical companies in highly competitive markets, many of whom will be much larger than ImagingX with far greater financial and human resources. ImagingX may face predatory pricing, difficulty breaking through established relationships between competitors and market participants and a host of other challenges to successfully penetrating its intended markets

### Foreign Jurisdictions

ImagingX's business model depends on successfully penetrating foreign jurisdictions, particularly the United States. This presents several risks to ImagingX's business, including meeting regulatory requirements, forming solid relationships with channel partners, additional costs relating to shipping, customs, brokerage fees and foreign currency exchange risk.

### Product Liability

ImagingX's products will be used for human healthcare. Accordingly, ImagingX must continue to meet industry production standards, including good manufacturing practices, at all times and failure to do so may result in temporary or indefinite shutdowns and/or penalties and fines. Additionally, should any of its products be found to have adverse reactions in the human body or defects that result in sickness or death of users, ImagingX may face significant product liability lawsuits or regulatory intervention that could greatly impair or even terminate operations.

### Industry Innovation and Advances

Innovation and product advancements by competitors could significantly impact ImagingX's ability to compete.

## **SELECTED QUARTERLY FINANCIAL INFORMATION**

The following selected quarterly financial data is derived from the consolidated financial statements of the Corporation. It is prepared within acceptable limits of materiality and is in accordance with IFRS.

	As at August 31, 2019	As at May 31, 2019	As at February 28, 2019	As at November 30, 2018	As at August 31, 2018	As at May 31, 2018	As at February 28, 2018	As at November 30, 2017
Total current assets	\$ 180,963	\$ 109,759	\$ 85,665	\$ 229,490	\$ 91,271	\$ 100,222	\$ 126,540	\$ 92,336
Total current liabilities	\$ 675,268	\$ 673,990	\$ 744,608	\$ 565,723	\$ 468,916	\$ 587,295	\$ 507,130	\$ 588,857
Long term debt	\$ 40,408	\$ 42,690	\$ 44,940	\$ 185,065	\$ 144,913	\$ 342,395	\$ 368,163	\$ 370,264
Total shareholders' equity (deficiency)	\$ 629,120	\$ 493,338	\$ 375,754	\$ 515,681	\$ 535,807	\$ 83,824	\$ 75,816	\$ (89,237)
	Quarter ended August 31, 2019	Quarter ended May 31, 2019	Quarter ended February 28, 2019	Quarter ended November 30, 2018	Quarter ended August 31, 2018	Quarter ended May 31, 2018	Quarter ended February 28, 2018	Quarter ended November 30, 2017
Income (Loss) for the quarter	(213,217)	(108,101)	(143,567)	(333,507)	73,774	(154,770)	(141,357)	(137,025)
Loss (Income) per share:								
Basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Exploration and evaluation assets	\$ 1,124,225	\$ 1,059,331	\$ 1,036,226	\$ 991,084	\$ 1,009,614	\$ 861,684	\$ 769,500	\$ 725,461
Reclamation deposit	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Total assets	\$ 1,344,796	\$ 1,210,018	\$ 1,165,302	\$ 1,266,468	\$ 1,149,636	\$ 1,013,514	\$ 951,109	\$ 869,884
Total liabilities	\$ 715,676	\$ 716,680	\$ 789,548	\$ 750,788	\$ 613,829	\$ 929,690	\$ 875,293	\$ 959,121

### Operating Results for the Three Months Ended August 31, 2019

During the three months ended August 31, 2019, the Corporation experienced a loss of \$213,217 (\$nil per share) compared to income of \$73,774 (\$nil per share) in the same period of 2018. Wages and benefit expense amounted to \$46,495 for the three months ended August 31, 2019 compared to \$46,765 in the same period of 2018. Professional fees of \$37,150 in the current quarter compared to \$87,136 in the three-month period ended August 31, 2018. The 2019 third quarter loss includes share-based compensation of \$nil related to the options granted to directors and officers on December 5, 2017 and May 31, 2018 compared to \$40,253 in the same period of 2018. General and administrative costs of \$119,305 were incurred in the three months ended August 31, 2019 compared to \$108,230 in the same period of 2018. Additionally, transfer agent and filing fees of \$10,267 were incurred in the three months ended August 31, 2019 compared to \$3,122 in the same period of 2018.

Other revenues in the three months ended August 31, 2018 included a deferred income tax recovery of \$15,994 related to qualifying expenditures made in the first nine months of the year which were passed through to holders of flow through common shares. The Corporation had no deferred income tax recoveries in the same period of 2019. Other revenues in 2018 also included a gain on settlement of debt of \$343,286 with a law firm of which a former director and shareholder was a partner. All amounts owing to the creditor were settled resulting in a gain during the period ended August 31, 2018. There was no comparable item in the 2019 period.

### Operating Results for the Nine Months Ended August 31, 2019

During the nine months ended August 31, 2019, the Corporation experienced a loss of \$464,885 (\$0.01 per share) compared to a loss of \$222,353 (\$nil per share) in the same period of 2018. Wages and benefit expense amounted to \$146,904 for the nine months ended August 31, 2019 compared to \$143,143 in the same period of 2018. Professional fees were \$74,164 in the nine months ended August 31, 2019 compared to \$91,592 in the same period of 2018. General and administrative costs of \$221,093 were incurred during the nine months ended August 31, 2019 compared to \$216,795 in the same period of 2018. Additionally, transfer agent and filing fees of \$17,409 were incurred in the nine months ended August 31, 2019 compared to \$18,116 in the same period of 2018. Share-based compensation of \$5,315 related to options granted to directors and officers was expensed during the nine-month period ended August 31, 2019 compared to \$111,987 in the same period of 2018.

For the nine months ended August 31, 2019, the Corporation reported no discontinued operations and did not declare any cash dividends.

## **RESULTS OF OPERATIONS AND ADDITIONAL DISCLOSURE FOR VENTURE CORPORATIONS WITHOUT SIGNIFICANT REVENUE**

As at August 31, 2019, the Corporation had cash and cash equivalents in the amount of \$82,651. The Corporation's accounts payable and accrued liabilities in the amount of \$511,182 at August 31, 2019 consist of accrued professional fees, costs associated with exploration of mineral interests and other administrative expenses.

## **LIQUIDITY, CAPITAL RESOURCES AND OUTLOOK**

As at August 31, 2019, the Corporation had cash and cash equivalents of \$82,651 and a working capital deficiency of \$494,305. The Corporation is past due on a substantial portion of its current liabilities.

During the nine months ended August 31, 2019, the Corporation incurred a cash expense of \$424,540 in operating activities (compared to \$463,519 in the same period of 2018), \$134,693 in investing activities (compared to \$280,817 in the same period of 2018) and generated cash of \$494,968 in financing activities (compared to \$759,856 in the same period of 2018).

Additional equity or debt financing will be required to implement the Corporation's business plan. There can be no assurance that the Corporation will be able to secure additional financing in the future on terms that are acceptable to it or at all.

The Corporation is exploring various alternatives to address its working capital deficiency, past due liabilities and capital requirements for its business plan. Regarding its current liabilities, Voyageur is in debt settlement discussions with many creditors representing a significant portion of its current debt, on and any such debt settlement could include a securities for debt exchange which would increase dilution for shareholders. The Corporation is also earnestly pursuing equity and debt financing opportunities to fund operations and its business plan, as well as the potential for governmental grants or other form of financial support for its intended pharmaceutical business. It should be stressed that all of these alternatives are very preliminary and there is no assurance the Corporation will be successful with any of them.

## **OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, reclamation resources, accounts payable and accrued liabilities, deferred creditors, amounts due to shareholders, finance lease obligation, loans and interest payable. Management believes that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable.

## **TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties. Related party transactions are disclosed below, unless they have been disclosed elsewhere in the financial statements.

During the nine months ended August 31, 2019, the Corporation received sublease rent of \$13,500 (compared to \$8,778 in the same period of 2018) under a sublease rent agreement signed November 1, 2018 with a company related through a common officer. At August 31, 2019, \$4,501 was due to Voyageur

under the agreement, compared to \$1,500 as at November 30, 2018. See note 13 of the August 31, 2019 consolidated interim financial statements for further details on the agreement.

During the nine months ended August 31, 2019 and 2018, certain expenses were paid for by shareholders who were also directors of the Corporation. As of August 31, 2019, the amount due to shareholders, including accrued interest, was \$152,543, compared to \$196,575 as at November 30, 2018 and included in current liabilities. Of this amount, \$49,050 is unsecured, non-interest bearing compared to \$58,670 as at November 30, 2018.

Certain loans in the amount of \$79,305 are unsecured and bear interest at 10% per annum compared to \$119,208 as at November 30, 2018. Interest of \$24,188 has been accrued on these loans as at August 31, 2019 compared to \$18,697 as at November 30, 2018. By agreement with the shareholders, repayment of \$103,493 has been deferred to December 31, 2019. This resulted in the reclassification of this balance to long-term liabilities at November 30, 2018. On May 7, 2019, 990,021 units were issued to settle loans and accrued interest in the amount of \$74,250.

During the nine months ended August 31, 2019, the Corporation incurred professional fees of \$50,354 (compared to \$82,050 in the same period of 2018) due to a law firm of which a former director and shareholder is a partner. As of August 31, 2019, \$54,710 is included in accounts payable and accrued liabilities and \$nil is included in long-term liabilities, compared to \$27,322 in accounts payable and \$290,884 in long-term liabilities as at August 31, 2018.

During the nine months ended August 31, 2019, the Corporation recorded consulting fees of \$26,000 in respect of services provided by certain officers of the Corporation, which have been included in general and administrative expenses. In the same period of 2018, the consulting fees incurred by officers was \$27,000. The Corporation also recorded wages and benefits expense of \$146,904 (compared to \$143,143 in the same period of 2018), and capitalized \$49,717 in wages and benefits to exploration and evaluation assets, in respect of services provided by officers of the Corporation compared to \$48,086 in the same period of 2018. As of August 31, 2019, \$nil owing to these individuals is included in accounts payable and accrued liabilities and \$49,050 is included in amounts due to shareholders.

During the nine months ended August 31, 2019, the Corporation capitalized a total of \$1,200 to exploration and evaluation assets for storage costs paid to a director and officer compared to \$1,500 in the same period of 2018.

## **SIGNIFICANT ACCOUNTING JUDGMENTS AND USE OF ESTIMATES**

The preparation of the financial statements requires management to make estimates 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. The financial statements include estimates which, 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 the revision affects both current and future periods.

The Corporation's significant judgments and estimates are disclosed in the audited annual consolidated financial statements for the year ended November 30, 2018.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

The Corporation is authorized to issue an unlimited number of common shares of which 61,170,472 common shares were issued and outstanding as at August 31, 2019 and 62,497,872 common shares are issued and outstanding as at the date of this MD&A.

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

	<b>Authorized</b>	<b>Outstanding</b>
Voting or equity securities issued and outstanding	Unlimited common shares	62,497,872 common shares
Securities convertible or exercisable into voting or equity securities - stock options	Stock Options to acquire up to 10% of outstanding Common Shares	4,229,441
Securities convertible or exercisable into voting or equity securities		4,536,270
- warrants exercisable at \$0.18		2,027,940
- warrants exercisable at \$0.20		
- warrants exercisable at \$0.15		21,080,358

On October 23, 2018, the Corporation approved the issuance, subject to regulatory approval, of 1,180,280 warrants to related parties who have advanced operating loans. Each warrant entitles the holder to purchase one additional common share at a price of \$0.10 for a period of four years. The warrants are subject to an accelerated exercise provision in the event the Corporation repays the loans within the four-year period. As of October 24, 2019, these warrants have not been issued.

## **STOCK OPTIONS**

The Corporation has adopted an incentive stock option plan (the “**Plan**”), whereby it may grant options to directors, officers, employees and consultants of the Corporation. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common Shares at any time. The exercise price of options granted under the Plan shall not be less than the price of the common shares on the day proceeding the day the options are granted, less any discounted price permitted by the TSX Venture Exchange.

Pursuant to the Corporation’s Plan, 4,229,441 options were granted to directors, officers and consultants. These options vest over a two-year period, 50% upon grant and 50% on the first-year anniversary after the grant. As of the date of this MD&A, such options have fully vested and are exercisable at a price of \$0.10. 3,979,441 of the options will expire on December 5, 2022 while the remaining 250,000 will expire on May 31, 2023.

## **CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There have been no changes in the Corporation’s internal controls over financial reporting during the three months ended August 31, 2019, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

## **APPROVAL**

The audit committee of the Corporation approved the disclosure contained in this MD&A on October 25, 2019. Further information with respect to the Corporation can be found on its website at [www.voyageurminerals.ca](http://www.voyageurminerals.ca) and on [www.sedar.com](http://www.sedar.com)