

**VOYAGEUR PHARMACEUTICALS LTD.**  
**(formerly Voyageur Minerals Ltd.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2020**

This management's discussion and analysis ("**MD&A**") presents an analysis of the consolidated financial position of Voyageur Pharmaceuticals Ltd., formerly Voyageur Minerals Ltd., ("**Voyageur**" or the "**Corporation**") for the nine months ended August 31, 2020. The following information should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended November 30, 2019, including the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

**DATE OF REPORT**

This MD&A is dated October 30, 2020 and presents material information up to this date.

The reader is encouraged to review the Corporation's statutory filings on its profile at [www.sedar.com](http://www.sedar.com).

**FORWARD-LOOKING STATEMENTS**

This MD&A contains certain "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Corporation. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "anticipates", "believes", "continue", "depend", "estimates", "expects", "forward", "future", "goal", "intends", "objective", "plans", "potential", "predict", "projects", "pursue" and similar expressions, or are events or conditions that "will", "would", "may", "can", "could" or "should" occur or be achieved. This MD&A contains forward-looking statements, pertaining to, among other things, the following: the Corporation's industry and business strategy, plan and model; the Corporation's supply of API (as defined herein); Dr. Merle Olson's involvement with the Corporation; the Corporation's developmental pipeline; regulatory approvals and Health Canada registrations; future sales and the timing thereof; corporate finance and the Corporation's capital structure; the exploration and development of, and production from, the Corporation's mineral properties; the Corporation's competitive position; product development and marketing initiatives; mineral properties, reserves and resources; the nature of the Corporation's operations; the Corporation's intellectual property strategy; the use of the Corporation's products.

Although the Corporation believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results and such statements are not guarantees of future performance. The Corporation's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements.

Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, the Corporation disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

**Withdrawal of forward-looking information**

In prior periods the Corporation disclosed certain Forward-Looking Information ("**FLI**") in documents published by the Corporation or posted on its website. In particular, two instances of FLI are set out below:

1. Revenue, expense, EBITDA and net income projections were included in the Corporation's Corporate Presentation posted on the Corporations website, and;

2. A comment of “USA distribution companies project \$5 million in sales of barium products immediately...” and “Strategic partnership established with ThinQ, securing iodine supply that will enable Voyageur to produce up to US\$100,000,000 per year of revenue.” Was disclosed in the Issuer’s Business Strategy posted on the Corporations website.

The Corporation withdraws this FLI effective immediately. The Corporation has decided to remove any reference to the above noted points from its published materials and from materials posted on its website. The original information was based on management’s estimations (in reference to point #1 above) and from discussions with potential partners (in reference to point #2 above) and the Company did not have third party confirmation of the validity of this FLI. The Corporation will provide financial information when verifiable information becomes available in the future. Readers of the Corporations published materials are cautioned not to rely on the past information prior to this retraction.

## **DESCRIPTION OF BUSINESS AND OVERVIEW**

Voyageur is an exploration stage pharmaceutical company focused on manufacturing mineral based pharmaceutical products. The Corporation is in the business of acquiring, exploring and evaluating pharmaceutical mineral resource properties. The Corporation has interests in four mineral properties located in the province of British Columbia, Canada and the state of Utah, United States of America (“USA”). These mineral properties are referred to in this MD&A as Frances Creek, Jubilee Mountain, Pedley Mountain and Paradox Basin

The address of the Corporation’s registered and records office is Suite 1600, 333 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 2Z1. The head office of the Corporation is located at 255, 339 – 50<sup>th</sup> Avenue S.E., Calgary, Alberta, T2G 2B3.

On March 2, 2017, the Corporation completed a reverse takeover transaction (“**RTO**”) with Voyageur Industrial Minerals Ltd. (“**VIM**”). The Corporation acquired 100% of the shares of VIM in exchange for shares of the resulting entity on a one-for-one basis. As a result of the share exchange, VIM is considered to have control of the Corporation. While the Corporation is the legal acquirer, the accounting acquirer is VIM and these financial statements are consolidated and presented with VIM as the reporting entity. Concurrent with the RTO, the Corporation changed its name to Voyageur Minerals Ltd.

On December 6, 2019, the Corporation changed its name to Voyageur Pharmaceuticals Ltd. to better reflect the Corporation’s focus.

## **OUTLOOK AND STRATEGY**

Voyageur’s strategy is to build a company to fill the gap for North American drug security through creating a secure, diversified supply chain and providing low cost drugs. The Corporations ultimate goal is to become the only fully-integrated pharmaceutical company in the radiographic contrast media market (supply of drugs that are commonly used in imaging functions – CT Scans, MRI’s and cancer screening),

This strategy for the Corporation is based on the near-term objectives required to progress its Frances Creek barium sulphate project to the next stage. There is not enough firm information on the costs associated with ultimate development of the overall long-term plan at this point. The long-term plan will be subject to substantial future financings.

### **Near-Term Strategy**

The Corporation has developed nine barium products (HDXba, LDXba, MultiXthin, MultiXthick, SmoothX, BarXnector, BarXthin, BarXhoney, Barpudding Barium suspension contrasts) for sale into the radiographic pharmaceutical market. The Corporation has submitted 5 of the products for registration to Health Canada

Over the next six to nine months the Corporation plans on pursuing the following near-term objectives.

The Corporation has launched the Preliminary Economic Assessment (“**PEA**”) on its Frances Creek project with the goal of completion within the next six months. Subsequent to the completion of the PEA, the Corporation is planning on proceeding with a Prefeasibility Study (“**Prefeas**”).

Concurrent with these studies the Corporation is working internally on several other main objectives focused on the short-term;

1. Over the next 6 months the Corporation plans on preparing for the bulk sample work on its Frances Creek deposit. The intent is to produce 10,000 tonne bulk sample that can be used for additional engineering and design and product development.
2. Designing our barium sulfate API plant, initially utilizing internal resources and based on our own experience and expertise. We will work with consultants on the final design after the completion of the PEA. Our goal is to have a mobile API barium sulfate milling facility built by the third quarter of 2021 that will be ready to process our barite concentrate from the Frances Creek Bulk sample and to create our bottles of barium contrast products.
3. Process our 10,000 tonne bulk sample at our Frances Creek barium sulfate property, currently planned to begin in the third quarter 2021.

To achieve these near-term objectives the Corporation estimates that capital costs to be approximately \$1,500,000 excluding the bulk sample and API processing facility. The Corporation plans on targeting equity raises to fund these initiatives through a combination of flow-through and common shares. The funds can be raised through a tranche approach where funds are raised based on completion of certain key milestones.

## **Mining**

Voyageur owns a 100% interest in three Barite properties, including two properties suitable in grade for the industrial Barite marketplace, and interests in iodine, bromine and lithium brine projects in Utah, USA.

### **Bulk Sample Program**

Voyageur has successfully completed its phase three drilling program on the Frances Creek property that resulted in an updated NI 43-101 report. A detailed metallurgical process testing report has been successfully completed by SGS Canada that shows gravity and acid methods will create US Pharmacopeia (“**USP**”) pharmaceutical grade Barite. A preliminary economic assessment (“**PEA**”) and engineering plan are now the focus for the next phase of the work program. The Corporation will then seek funding to build an API barium processing plant and prepare for a 10,000-tonne bulk sample program.

The Corporation plans to mine a 10,000 tonne Barite bulk sample at Frances Creek in 2021 for production of concentrated barite to test all aspects of the production cycle from the earth to the final bottles. The bulk sample is estimated to take four months to mine and process. Voyageur is actively pursuing financing in order to achieve these milestones. Drill results and resource estimates have been reported on the Frances Creek property in a National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) report refiled on October 30, 2020 under its profile on [www.sedar.com](http://www.sedar.com).

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

Voyageur plans to advance its exploration and development of the ULI Subterranean Pressurized iodine Brine Project in Utah, USA (the “**ULI Project**”). The Corporation’s goal is to produce Iodine for contrasts

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<sup>1</sup> All of 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.

and other pharmaceutical grade products. The brines also contain various other minerals that may be produced as bi products for additional future revenues. Voyageur acquired an acreage in the Paradox Basin located in Utah, USA and staked an area covering the “Roberts Rupture” fault line which is located on the southwest flank of the Kings Bottom Syncline.

### Joint Venture Agreement

The Corporation and Anson Resources Ltd. (“**Anson**”) are parties to a joint venture agreement in respect of the company’s interest in 89 mineral claims covering approximately 720 hectares in a Iodine/lithium brine property located in the Paradox Basin of Utah, United States (the “**ULI Project**”). On September 14, 2016, the Corporation entered into a Standstill Agreement with Anson Resources Ltd. (“**Anson**”). Under the terms of the agreement, Anson paid Voyageur a non-refundable deposit of US\$75,000 (CDN\$98,753) in exchange for the exclusive right to conduct due diligence on Voyageur’s ULI Project for a period of 45 days and, based on its due diligence findings, earn into the project.

On March 27, 2017, the Corporation signed a formal Joint Venture agreement with Anson whereby Anson may earn up to 70% of the ULI Project by undertaking exploration activities on the project. Anson earned a 10% interest in the ULI Project upon signing of the formal Joint Venture agreement and can earn further interests upon completing the following:

- 40% by defining the location(s) for one or more drill holes, issuing a NI 43-101 technical report, and incurring US\$666,000 in qualifying expenditures; and
- a further 20% by drilling and logging one or more holes, issuing an updated NI 43-101 technical report, and incurring US \$2,330,000 in qualifying expenditures.

Anson Resources has been in a legal dispute with the geologist who introduced Anson to the paradox basin project. This dispute is currently in litigation. Upon resolution of this dispute, Voyageur and Anson will resume plans on how to move forward with the ULI project. Voyageur is not a party to this litigation.

### Exploration and development assets

	Canada			USA		Total
	Frances Creek	Jubilee Mountain	Pedley Mountain	Paradox Basin	Lithium King	
<b>Balance, Nov 30 2018</b>	608,210	72,251	42,304	152,433	115,886	991,084
Claims fees	-	14,612	-	19,838	15,864	50,314
Geological and consulting	1,643	14,440	3,500	394	20,354	40,331
Assays and surveys	3,322	-	-	-	-	3,322
Site expenses	7,771	-	-	-	-	7,771
Insurance	6,024	-	-	-	-	6,024
Salaries and wages	65,777	-	-	-	-	65,777
Depreciation of exploration equipment	8,085	-	-	-	-	8,085
<b>Balance, Nov 30, 2019</b>	<b>\$ 700,832</b>	<b>\$ 101,303</b>	<b>\$ 45,804</b>	<b>\$ 172,665</b>	<b>\$152,104</b>	<b>\$ 1,172,708</b>
Claims fees	25,861	-	-	-	-	25,861
Geological and consulting	11,743	-	-	-	-	11,743
Assays and surveys	19,778	-	-	-	-	19,778
Site expenses	3,552	-	-	-	-	3,552
Insurance	6,046	-	-	-	-	6,046
Salaries and wages	40,709	-	-	-	-	40,709
Depreciation of exploration equipment	5,427	-	-	-	-	5,427
Other	31,089	-	-	-	(152,104)	(121,015)
<b>Balance, August 31, 2020</b>	<b>\$ 845,037</b>	<b>\$ 101,303</b>	<b>\$ 45,804</b>	<b>\$ 172,665</b>	<b>\$ -</b>	<b>\$ 1,164,809</b>

During the third quarter ended August 31, 2020, the Corporation determined that the Lithium King property contained insufficient amounts of iodine and determined to completely write off this property. The Corporation has determined that the Paradox Basin property ("**ULI Property**") will be the key property for its future strategy focused on iodine. This decision was made to ensure conservative strategies moving forward as proceeding with both US properties would be hard to manage and the Corporation is of the view that it is most beneficial to focus on the property that it believes contains the highest probability of success, and that is the ULI project.

None of the Corporations significant projects has generated any revenue and these projects are not expected to generate revenue in the near future. At this time, realistic expenditure estimates, timing of such expenditures and how they will ultimately be funded is not determinable until more information is obtained.

## **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 working capital, no revenue and a limited business history.

#### Nature of operations and going concern

The Corporation's interim consolidated financial statements for the nine months ended August 31, 2020 and audited annual consolidated financial statements for the year ending November 30, 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 exploration and evaluation assets will require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

The Corporation has currently filed for five product registrations with Health Canada. The Corporation 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, 2020, the Corporation had not yet achieved profitable operations, has accumulated losses of \$3,721,409 since inception and expects to incur further losses in the development of its business and has negative working capital, all of which creates substantial risk for the Corporation's ability to continue as a going concern.

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 interim consolidated financial statements for the three months ended August 31, 2020 and audited annual consolidated financial statements for the year ending November 30, 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 the consolidated financial statements.

#### Need for Additional Funds

The Corporation has 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 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 favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of its projects with the possible loss of mineral properties. 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.

### Impact of the COVID-19 Pandemic

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19 ("**COVID-19**"), has resulted in governments worldwide, including in Canada and the United States enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities.

Governments and central banks have reacted to the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

To date, several mining projects have been suspended as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the properties in which the Corporation expects to receive significant revenue is suspended, it may have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities.

To the extent that the Corporation's management or other personnel are unavailable to work as a result of the COVID-19 pandemic, whether due to illness, government action or otherwise, it may have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities. The situation could cast doubt on the ability of the Corporation to raise the financing required to fulfill its strategic plans.

The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse impact on the Corporation's profitability, results of operations, financial conditions and the trading price of the Corporation's securities.

The Corporation is continuing to follow all governmental programs announced to determine if any will apply to the Corporation and provide relief for this difficult time.

## **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, lithium, iodine or bromine properties (the "**Properties**") has known commercial reserves as defined by NI 43-101. Voyageur intends on completing a Preliminary Economic Assessment ("**PEA**") within the next six months that would then be followed by a pre-feasibility study. Following successful completion of these studies, Voyageur would proceed with a bulk sample program on its Frances Creek property and then production. At this point the Company is not planning on conducting a feasibility study. 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. The lack of pursuing a feasibility study increases the overall risk of the project as a feasibility would further define the project. 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.

Few mineral properties which are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of minerals will be discovered on the Corporation's properties. The PEA and prefeasibility 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.

The work completed on the Properties at this stage is preliminary in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in any target on the Properties being delineated as a mineral resource under NI 43-101.

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 lithium properties located in Utah, USA, 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 or abandoned.

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 or death, 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 USA 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, the USA 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 USA. 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 is planning on entering the API industry. None of its principals has any experience in this field, which is dominated by large, well-financed companies.

### **Pre-Operational Risks**

#### 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 the Corporation 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 interests in its Utah, USA properties 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 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

The Corporation 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 the Corporation will be able to achieve these goals.

#### Regulatory Approvals

The Corporation 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 will face the following operational challenges and risks:

#### Competition

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

#### Foreign Markets

The Corporation's business model will depend on successfully penetrating foreign markets, particularly the USA. This presents several risks to the Corporation'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

The Corporation's products will be used for human healthcare. Accordingly, they 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, the Corporation 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 the Corporation's ability to compete.

## SELECTED ANNUAL INFORMATION

The following financial data are for the Corporation's three most recently completed financial years:

For the year ended November 30, 2019, the Corporation reported no discontinued operations and did not declare any cash dividends.

## SELECTED QUARTERLY FINANCIAL INFORMATION

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

	As at							
	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018
Total current assets	\$ 119,865	\$ 220,147	\$ 389,099	\$ 397,795	\$ 180,963	\$ 109,759	\$ 85,665	\$ 229,490
Total current liabilities	\$ 776,423	\$ 712,717	\$ 542,917	\$ 814,595	\$ 675,268	\$ 673,990	\$ 744,608	\$ 565,723
Long term debt	\$ 73,378	\$ 73,378	\$ 36,644	\$ 38,094	\$ 40,408	\$ 42,690	\$ 44,940	\$ 185,065
Total shareholders' equity (deficiency)	\$ 466,965	\$ 752,975	\$ 1,043,041	\$ 755,332	\$ 629,120	\$ 493,338	\$ 375,754	\$ 515,681

  

	Quarter ended							
	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018
Loss for the quarter	\$ (285,611)	\$ (264,932)	\$ (408,647)	\$ (86,166)	\$ (213,217)	\$ (108,101)	\$ (143,567)	\$ (333,507)
Loss per share:								
Basic and diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exploration and evaluation assets	\$ 1,164,809	\$ 1,285,021	\$ 1,197,793	\$ 1,172,708	\$ 1,124,225	\$ 1,059,331	\$ 1,036,226	\$ 991,084
Reclamation deposit	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Total assets	\$ 1,316,765	\$ 1,539,069	\$ 1,622,602	\$ 1,608,021	\$ 1,344,796	\$ 1,210,018	\$ 1,165,302	\$ 1,266,468
Total liabilities	\$ 849,801	\$ 786,095	\$ 579,561	\$ 852,689	\$ 715,676	\$ 716,680	\$ 789,548	\$ 750,788

During the three months ended August 31, 2020, the Corporation experienced a loss of \$285,611 (\$0.00 per share) compared to a loss of \$213,217 (\$0.00 per share) in the same period of 2019. A large component of this loss relates to non-cash expenses, including \$152,104 asset write off and \$45,059 in expensed prepaid expenses (funds previously expended). The Corporation observed extra strong cash controls during the current quarter as the global pandemic continued. The Corporation depends on a strong and vibrant financial environment and the COVID-19 situation caused a significant tightening of access to capital. Accordingly, the Corporation was proactive in conserving capital and this is evident in the quarter over quarter loss shown in the table above.

The primary contributor to the quarterly loss for the period ended August 31, 2020 related to the Corporation's decision to completely write off the accumulated capitalized costs of \$152,104 related to the Lithium King property in the United States. The Corporation determined that this property does not contain sufficient iodine potential. In making this determination, the Corporation believes the best strategy is to focus on one property as a base for its future iodine business. The amount written off primarily includes annual claims fees combined with geological and consulting costs as set out below:

### Lithium King write off:

	Fiscal year ended November 30,				
	2017	2018	2019	2020	Total
Claims Fees	46,653	-	15,864	-	62,517
Geological and consulting	38,787	30,446	20,354	-	89,587
	\$ 85,440	\$ 30,446	\$ 36,218	\$ -	\$ 152,104

Normalizing results by removing the impact of the write off of \$152,104, the net loss for the quarter ended August 31, 2020 amounted to \$133,507, which represents a significant decrease from the comparative quarter ended August 31, 2019 of \$213,217.

The main decrease occurred in investor relations where \$100,000 was booked relating to a large investor relations contract in the period ended August 31, 2019 and only \$47,405 was booked in the current quarter ended August 31, 2020. During the prior comparative period, legal costs were incurred totalling \$35,140 as the Corporation changed law firms and additional work was required to prepare for the upcoming audit. In addition, additional legal work was required on contracts entered into during that quarter. There were no legal fees expensed in the current quarter ended August 31, 2020. Additionally, payroll costs amounted to \$37,625 in the current period compared to \$46,495 in the prior comparative quarter. Personnel agreed to voluntarily forego salary to conserve capital during the final month of the quarter and this resulted in the period over period decrease. The employees have continued to perform duties as required during this time.

The Corporation saw some minor increases in certain accounts that partially offset the decreases mentioned above. Director and officer insurance rates increased upon renewal that added approximately \$10,000 to total expense in the current quarter ended August 31, 2020. In addition, smaller increases were noted in interest on promissory notes and consulting fees.

As at August 31, 2020, the Corporation had cash and cash equivalents in the amount of \$15,241. The Corporation's accounts payable and accrued liabilities in the amount of \$582,064 at August 31, 2020 was a reduction of approximately 11% from November 30, 2019. Further reduction of accounts payable and accrued liabilities will continue throughout fiscal 2020. This balance consists of vendor payables, accrued professional fees, accrued salaries due to timing of payments, costs associated with exploration of mineral interests and other administrative expenses.

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

The Corporation has not had significant revenue from operations in either of its last two financial years.

- a) Exploration and evaluation assets or expenditures - A material breakdown of capitalized development costs for the period ended August 31, 2020 and the prior fiscal year ended November 30, 2019 were presented earlier in this MD&A under Exploration and Evaluation Assets. The Company did not expense any material research and development costs during the quarter ended August 31, 2020.
- b) Expensed research and development costs – The Corporation has not conducted any research and development activities in the last two years and as a result no expenditures were incurred in this area.
- c) Intangible assets arising from development – The Corporation conducted activities related to exploration and evaluation of its assets as presented in section a above and no other intangible assets were developed in the periods.
- d) General and administrative expenses (“G&A”)- G&A expenditures for the nine months ended August 31, 2020 amounted to \$352,640 compared to \$221,093 for the comparative period ended August 31, 2019. The main component of this category related to investor relations expenses where several marketing and investor relations contracts were expensed in the current period. These activities were deemed important as the Corporation raised financing and communication with investor groups was important. Total expenditures amounted to \$217,767 in the nine months ended August 31, 2020 compared to 137,308 in the nine months ended August 31, 2019. In addition, consulting fees of \$45,688 were incurred in the current period compared to \$26,000 last year. Consultants are used to fill in gaps due to low employee count (four employees). D&O insurance costs amounted to \$14,760 in the nine months ended August 31, 2020 compared to \$6,579 in the prior period as insurance rates have increased substantially, particular for developing companies. Rent and administrative costs increased in the current period to \$33,362 compared to \$19,860 in the comparative period ended August 31, 2019.

- e) Other material costs – the Corporation did not incur any additional material costs other than discussed in the sections above.

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

### **Cash Requirements and Liquidity**

As at August 31, 2020, the Corporation had cash and cash equivalents of \$15,241 and a working capital deficiency of \$656,558. The working capital deficiency continues to be driven by accounts payable and accrued liabilities of \$582,064, of which, approximately \$76,900 is due to related parties. This amount is due to Henkle and Associates for work done on prior NI 43-101 reports and geological work and were incurred while the principal, Randy Henkle was independent of the Corporation. Further, approximately \$260,000, or approximately 45% of the accounts payable is related to capital with approximately \$322,000 or approximately 55% related to operating activities. Significant marketing programs have been funded in advance over the last two quarters of fiscal 2019 that still have significant balances in prepaid expenses and do not require additional funds to complete. These amounts will be fully expensed prior to the end of the fiscal year ending November 30, 2020. 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 Company has been successful in the past at raising funds as required but this cannot be guaranteed to continue, particularly under the current economic conditions caused by the COVID-19 pandemic. The Company communicates regularly with all significant vendors and financing plans include satisfying the outstanding liabilities along with funding property and product development functions.

The Corporation focused on conserving cash during the three and nine months ended August 31, 2020. As previously mentioned, staff voluntarily agreed to forgo salary for the month of August 2020. The Corporation used cash in operations in the quarter ended August 31, 2020 at a rate of approximately \$30,000 per month, down from over \$45,000 per month in the comparative period. This should not be considered an indication of the cash required moving forward, particularly when considering the global economic situation from COVID-19. Our historical use of cash is not indicative of our future needs as future needs will vary depending on capital expenditures and development activities at any point in time. The Corporation continues to maintain a very small management team and increases will only occur as required when milestones are achieved. In addition, consulting fees are directly related to the progression of the project and can be varied in the future. General and administrative cash expenditures are largely variable, or at least semi-variable and can be managed quickly based on activity levels and availability of financial resources.

During the nine months ended August 31, 2020, the Corporation used cash of \$408,494 in operating activities (2019 – \$424,540) and generated cash of \$13,326 in investing activities (2019 - \$134,693). Financing activities generated cash of \$334,797 (2019 – \$(494,968)).

### **Funding trends, fluctuations and risks**

The Company completed certain equity transactions in the first two quarters of fiscal 2020 aimed at bridge needs to continue operations and fund key initiatives. Since late fiscal 2019 and throughout the first three quarters of fiscal 2020, the Company has re-evaluated its main strategic initiatives. The initiatives have been assigned into categories that based on available funding, they will either proceed or be delayed accordingly. All types of potential funding are being examined from private and public equity in addition to debt. The Company is paying very careful consideration to the economic impact subsequent to year end and prior to the date of this MD&A of the COVID-19 pandemic.

The Company will continuously re-examine its funding needs and the sources of available capital as the COVID-19 impact continues to evolve. The Company's structure allows it to remain flexible and change depending on circumstances. Although the Company remains confident it will continue to attract sufficient capital to meet all its objectives, there is a risk that it may not. The impact on operations if funds are not available will range from altering initiatives to delaying the timing of initiatives, or in extreme

circumstances, cease certain functions until the situation improves. The Company has expended sufficient cash on its key properties such that to maintain their claims, only minimal expenditures would be required in the short to medium term.

The Burn Rate referenced in cash requirements and liquidity above included cash required to continue to pursue its key development objectives. The stated rate could be reduced in circumstances where short term capital is delayed or unavailable as the Company would operate under a strategy of sustaining its operations compared to developing them. This would then change when capital becomes available.

## **OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements as at August 31, 2020.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, reclamation deposits, accounts payable and accrued liabilities, loans and interest payable, due to shareholders and finance lease obligation. It is management's opinion 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. Subsequent to initial recognition financial instruments are measured as described below:

The Company's cash and cash equivalent, accounts receivable and reclamation deposits are classified as amortized cost. Accounts payable and accrued liabilities, loans and interest payable, due to shareholders and finance lease obligation are also classified as amortized cost. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss, as well as any gain or loss on derecognition.

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

## **TRANSACTION 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.

In the past, certain expenses were paid for by the shareholders who are also directors of the Corporation. During the first two quarters of fiscal 2020 and 2019 these directors accepted shares in the Corporation in exchange for a portion of the outstanding debt. As at August 31, 2020, the amount due to shareholders amounted to \$30,749 from \$49,050 as at November 30, 2019. This amount is due to Brent Willis, Brad Willis and Steven Livingston. The amount relates to prior expenses incurred by the individuals while on Company business that was not reimbursed. The employees agreed to let the amounts remain outstanding indefinitely until the Corporation is better capitalized. No formal loan agreements were entered into relating to these amounts and there is no interest accruing on the outstanding balances. This entire amount at May 31, 2020 (November 30, 2019 - \$49,050) is unsecured, non-interest bearing and included in current liabilities.

In addition to the shareholder expenses, certain directors and a past officer provided a total of \$75,000 CAD and \$40,000 USD in unsecured, demand promissory notes that carries 10% interest payable quarterly to the Corporation during the nine months ended August 31, 2020. Also, certain directors agreed to add travel expenses owed to them to the notes to reduce cash burn. These notes are

repayable at the earlier of demand or upon further financing and the funds can be used for any Corporate expense. As at August 31, 2020, the total amount owed under the notes, including foreign exchange and accrued interest amounted to \$154,291. As at November 30, 2019, loans and interest payable to directors and officers amounted to \$105,470 with this entire amount being extinguished in the first quarter of 2020 through an exchange of shares for debt.

For the nine months ended August 31, 2020, the Corporation capitalized \$40,709 (2019 - \$49,717) in wages and benefits to exploration and evaluation assets, in respect of services provided by officers of the Corporation. As of August 31, 2020, and November 30, 2018, all amounts owing to these individuals are included in accounts payable or in amounts due to shareholders.

## SIGNIFICANT ACCOUNTING JUDGMENTS AND USE OF ESTIMATES

The preparation of the audited annual consolidated 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 interim consolidated financial statements for the three and nine months ended August 31, 2020 and for the audited financial statements for the year ended November 30, 2019.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The Corporation is authorized to issue an unlimited number of common shares of which 71,366,166 common shares are issued and outstanding as at the date of this MD&A (65,507,038 as at November 30, 2019).

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	71,366,166 Common Shares
Securities convertible or exercisable into voting or equity securities - stock options	Stock Options to acquire up to 10% of outstanding Common Shares	5,170,000
Securities convertible or exercisable into voting or equity securities		
- warrants exercisable at \$0.15		15,224,797
- warrants exercisable at \$0.20		9,355,854

On February 24, 2020, under a restructuring initiative approved by the TSX Venture Exchange ("**TSXV**"), the Corporation retired a significant portion of its current liabilities through the issuance of equity securities. The initiative involved the conversion of \$288,459 in liabilities into equity, at a deemed price of \$0.075 per share, which resulted in the issuance of 3,846,128 common shares and 2,650,688 common share purchase warrants. Each warrant entitles the holder to acquire one additional common share at \$0.20 per share for a period of two years from the date of issuance. Of the debt retired, \$177,256 was owed to non-arm's length parties, the vast majority of which consisted of cash loans made by directors

and officers, and for services from a firm that was arm's length to the Corporation at the time the services were rendered but the principal of which subsequently became a director of the Corporation.

## **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 TSXV.

As of the date of this MD&A, pursuant to the Corporation's stock option plan, 5,170,000 options were granted to directors, officers and consultants. These options are fully vested and have a variety of expiration dates.

## **COVID-19**

On March 11, 2020, the World Health Organization declared a global pandemic relating to the outbreak of COVID-19. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operations in future periods.

## **QUALIFIED PERSON**

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.

## **APPROVAL**

The board of directors of the Corporation has approved the disclosure contained in this MD&A as of October 30, 2020. Further information with respect to the Corporation can be found on its website at [www.voyageurpharmaceuticals.ca](http://www.voyageurpharmaceuticals.ca) and under its profile at [www.sedar.com](http://www.sedar.com).

The board of directors of the Corporation has approved the disclosure contained in this MD&A as of October 29, 2020. Further information with respect to the Corporation can be found on its website at [www.voyageurminerals.ca](http://www.voyageurminerals.ca) and under its profile at [www.sedar.com](http://www.sedar.com).