(the "Company")

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Nine Months Ended September 30, 2018

General

This interim Management's Discussion and Analysis ("Interim MD&A") supplements, but does not form part of, the unaudited condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2018. The following information, prepared as of November 26, 2018, should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for nine months ended September 30, 2018 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"). In addition, the following should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended December 31, 2017 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The September 30, 2018 condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Additional information relevant to the Company's activities can be found on SEDAR at (www.sedar.com).

Forward Looking Information

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to:

- the Company's planned exploration activities for its mineral properties;
- the intended use of proceeds received from past and possible future financing activities;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities; and
- maturities of the Company's financial liabilities or other contractual commitments.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration and project development;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;

- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters;
- local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition; and
- uncertainties relating to general economic conditions.

as well as those factors referred to in the "Risks and Uncertainties" section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and development activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates;
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels; and
- the accuracy of the Company's current mineral resource estimates.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

Business of the Company

The Company is a Vancouver based mineral exploration company engaged in the acquisition and exploration of precious and base metals properties. The Company is focusing on early- to mid-stage exploration projects in Europe in jurisdictions which are mining-friendly, with a strong mining code, and with excellent geological potential. The Company's exploration activities are currently focused in Serbia.

Exploration Review

The Company is targeting gold (silver, lead and zinc) properties in the Oligo-Miocene igneous belt of Serbia. This belt of rocks runs NW-SE across much of the country, and is under-explored for gold and silver, despite an abundance of freely available geological data. Much of this information was generated by the Yugoslav government, predominantly through the 1960s and 1970s, through phases of national-scale geological mapping and systematic exploration for lead and zinc.

In mid-2016, the Company signed a strategic alliance with Fortuna Silver Mines Inc. ("Fortuna"), for the purposes of generating gold-silver exploration projects in Serbia. The Company has been granted several exploration licences, and is in the process of applying for more, following multiple phases of project generation work. The work led to the identification of the Tlamino Project, where some highly significant channel-chip results were obtained, and optioning of the Tlamino Project to Fortuna in March 2017. As well, two significant gold anomalies have been identified at the Ljubata Project which is operated 100% by the Company.

Following drill programs conducted at the Tlamino Project in 2018, the Company and its partner, Fortuna, approved a $2-million budget to continue drilling the Project in 2019.

Serbia

The Company holds five granted exploration licences, each covering approximately 100 square kilometres, targeting gold-silver epithermal and gold-dominant porphyry systems associated with the Oligo-Miocene igneous belt in the central and southern parts of the country. The licences are located on the borders of Macedonia and Bulgaria, in the very south of the country, and include the Donje Tlamino and Surlica-Dukat licences, which comprise the Tlamino Project optioned to Fortuna, and the adjacent Ljubata, Crnook and Radovnica licences which comprise the Ljubata Project. In addition to the granted licences, the Company has made several licence applications covering ground throughout the Oligo-Miocene igneous belt of Serbia.

Strategic Alliance with Fortuna

In June 2016, the Company completed a $1.5 million private placement to Fortuna by way of the issuance of 10.0 million units at $0.15 per unit. Each unit consisted of one common share of the Company and one warrant entitling Fortuna to purchase one additional common share of the Company at $0.15 for one year from closing.

The private placement was part of a broader strategic alliance between the Company and Fortuna to explore for precious metal deposits in Serbia. The Company was required to use a minimum of 80% of the financing proceeds on project-generating exploration in Serbia within 12 months, which the Company had completed by January 2017. In February 2017, Fortuna exercised all of its warrants at a total exercise price of $1,500,000, and the Company was obligated to spend a minimum of $1,200,000 (80% of the exercise proceeds) on further reconnaissance work in Serbia within 12 months following the date of the warrant exercise. The Company completed the expenditure of the $1,200,000 during 2017.

Pursuant to the strategic alliance, as amended in January 2017, Fortuna has the right to enter into an option agreement to earn up to a 70% interest in up to two of the geological target areas (each a "Selected Property") identified by the Company's project generation and exploration work in Serbia. To acquire an initial 51% interest in the Selected Property, Fortuna must spend a minimum of US$3.0 million on the Selected Property by no later than the third anniversary of the date of the option agreement. Once it has earned 51%, Fortuna can elect to form a 51:49 joint venture with the Company to further develop the Selected Property; or Fortuna can elect to be granted the option to earn an additional 19% interest in the Selected Property by completing a preliminary economic assessment on the Selected Property and spending an additional US$5.0 million in qualified expenditures within three years following the date of the election by Fortuna.

In March 2017, Fortuna identified the Tlamino Project (comprised of the Donje Tlamino and Surlica-Dukat licences) as its first Selected Property, and the Company and Fortuna signed an Option Agreement in connection therewith. As there was a significant delay in receiving a drill permit for the Project, the Company and Fortuna amended the Tlamino Project Option Agreement in September 2017 to remove the requirement that Fortuna spend US$1 million by the first anniversary. As a result, Fortuna has three years to spend US$3 million to acquire a 51% interest in the Project.

Project Generative Work

The Company's field teams have been actively undertaking reconnaissance work on highly prospective ground in Serbia, including remote sensing and desktop GIS studies. In late 2016, the Company was granted the five contiguous exploration licences comprising the Tlamino Project and Ljubata Project, totalling 500 square kilometres in the southeast of the country, bordering Macedonia and Bulgaria.

The five licences are located in the Serbo-Macedonian Massif ("SMM"), a belt of crustal rocks that runs through Serbia along a north-south axis, extending southwards through Macedonia and Bulgaria and into Greece. In Serbia, the SMM is west of, but parallel to, the Carpatho-Balkanides, which includes the Timok Magmatic Complex (TMC), host to a number of copper-gold porphyry-epithermal deposits. The SMM is under-explored when compared to the TMC, having seen lead and zinc exploration work by the Yugoslav government in the 1960s and 1970s, but far less exploration post-2000. The licences are located along the Macedonian and Bulgarian borders, approximately 40 kilometres southeast of the city of Vranje, in southeast Serbia. They cover areas of Palaeozoic metasediments, including calcareous schists and marbles, which have been intruded by a series of Oligo-Miocene porphyritic felsic igneous dykes, and locally covered with recent alluvial sediments. Contact zones between dykes and favourable country rock are responsible for many of the known base and precious metal showings within the licence areas. Fairly extensive exploration was completed by the Yugoslav government in the 1960s and 1970s for lead and zinc. Precious metals are often referenced in the historical and archival exploration documentation, but were not the focus of any exploration efforts, nor systematically documented. Today, it is recognized that these

mineralized systems are intermediate-sulphidation epithermal in nature, and management believes that their lack of historical precious metal exploration presents significant upside potential for the Company.

In 2016, the Company purchased an exploration dataset from Dundee Precious Metals which had in previous years conducted regional exploration campaigns over parts of these licence areas. The data includes regional stream sediment sampling results and a number of fairly detailed soil sampling grids over historical showings and gold-anomalous stream sediment and rock chip results.

During the summer of 2017, the Company completed licence-wide reconnaissance over all licences, which included a fine-fraction stream sediment sampling program, as well as ground-truthing a series of anomalies identified within the Dundee Precious Metals dataset. Geologically, the area is dominated by the central Crnook Dome (a metamorphic core complex measuring approximately 20 kilometres across), which forms a topographically high central core to the region. The dome is ringed by a major detachment fault, which at Barje Prospect (Tlamino Project) is likely a principal control on mineralization. The regional stream sediment program has also highlighted a series of gold anomalies in the north and northwest of the dome-flanks, at the contact with the regional low-grade schists. These anomalies were investigated in Q3 and Q4 2017 with a ridge-and-spur soil sampling program to document whether the detachment fault west and northwest of Barje is also prospective for gold-silver mineralization.

The Tlamino Gold Project

The Tlamino Gold Project is located in southern Serbia, and includes two historical showings: Liska and Barje. Both showings are associated with a regional east-west striking detachment fault, which in the vicinity of these showings has been overlain by conglomerates. Mineralization is located at the contact of the basement metamorphic rocks and the base of the conglomerate cover. Liska, located approximately 1.5 kilometres to the southwest of Barje, was drilled in the 1970s by Yugoslav state companies, and a lensoid-shaped mineralized volume of rock with 1-2 % combined Pb & Zn was found to strike NE towards Barje. The mineralization at Liska is located at the base of the conglomerate and parallel to the slope of the detachment fault. Liska was found to contain only anomalous concentrations of precious metals. At Barje, base metal contents are lower, but precious metals are found in much higher concentrations. The area between the two showings is overlain by a thin conglomerate cover likely in the range of 50 – 100 metres in thickness, and the Company considers the exploration potential under the conglomerate, between the two showings, to be excellent.

Barje Prospect

Phase 1 Drill Program

In late April 2018, the Company commenced an initial drilling program at Tlamino comprised of 1,250 metres from 11 drill holes, to test the up-dip continuation of mineralization identified in the channel sampling, and to also test the large geophysical anomaly located to the west of the high-grade Barje outcrop. The drill program was fully funded by Fortuna and directed by a joint Fortuna-Medgold technical committee under the terms of the Tlamino Project Option Agreement between the Company and Fortuna.

The total area to be initially tested by the drilling is approximately 200 metres east-west by 150 metres north-south. All the drill holes will be relatively shallow, less than 150 metres from surface, as the geological target is a flat-lying zone of intensely altered fault breccia associated with the large-scale detachment fault.

During May and June 2018, the Company completed seven drill holes, all of which intersected significant mineralization with a best intersection of 30 metres of 5.45 g/t Au and 11 g/t Ag (see Company press releases of June 11, June 18 and July 5, 2018). A summary table of significant intersections from this first phase of drilling is shown below:

Table 1 – Summary of Drill Results from Phase 1

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
BAR001	2.38	33.20	30.82	2.06	54.7
BAR002	13.35	48.00	34.65	3.11	27.5
including			2.00	23.88	340
BAR003	2.00	28.10	26.10	2.44	219
including	3.60	9.60	6.00	4.20	754
BAR004	2.20	24.30	22.10	1.83	109
BAR005	1.60	102.40	100.80	0.52	5
including	82.15	102.40	20.25	1.08	11
BAR006	74.00	104.00	30.00	5.45	11
including	95.00	104.00	9.00	14.17	58
BAR007	89.50	101.60	12.10	3.37	12

Mineralization has been identified over an area of at least 300 metres by 200 metres, and demonstrates a close spatial correlation with the IP-chargeability anomaly, which extends at least 700 metres further to the west for a total of area of approximately 1,400 metres east-west and 500 metres north-south.

Gold-silver mineralization at Barje is associated with tectonic brecciation along a large regional detachment fault which is mostly hosted within the hangingwall schists. This brecciation has structurally prepared large volumes of porous and permeable rocks, suitable to host mineralization. Intense hydrothermal breccias, with sulphide mineralization groundmasses and altered schist clasts, typically form at the base of the hangingwall zones in close proximity to the detachment structure. These zones of intense brecciation, associated with sulphide mineralization, typically yield high-grade gold-silver intercepts. Brecciation, fracturing and sulphide mineralization is pervasive across large zones of the hanging wall schists and yields broad intersections of low-grade (>0.5 g/t Au) to moderate-grade (>1 g/t Au) gold plus silver mineralization.

Phase 2 Drill Program

Phase 2 of the drill program, designed to drill-test an area of 1,400 metres by 500 metres and test the IP anomaly to the west of holes 6 and 7, commenced at the end of July 2018. Drilling was completed in November 2018, and to date, the Company has reported assay results for holes BAR014 to BAR020 (see Table 1 below for full results), returning best intercepts of 33.0 metres @ 1.14 g/t Au and 8.2 metres @ 2.29 g/t Au. The Company and its partner, Fortuna, have approved a $2-million budget for the project for 2019 to continue drilling at Barje and Karamanica.

Mineralization has now been confirmed over an area of 500 metres by 400 metres, east-west by north-south. The main zone of mineralized hydrothermal breccia and alteration has excellent lateral continuity between drill holes, is flat-lying to gently dipping, with a thickness of up to 30 m, but recent drilling extending outside of this area, yielded weaker mineralization.

Drilling stepped to the west across the Barje project, systematically testing a large chargeability anomaly identified by an induced polarization-resistivity geophysical survey completed in 2017. The anomaly measures 1,400 metres east-west by 400 metres north-south, and includes a second-order anomaly with a north-northeast axis overlying the Barje outcrop. The results received to date demonstrate the gold anomalism is weakening as drilling moved to the west away from the high-grade drill holes announced in June which were collared near the Barje discovery outcrop.

Table 2 – Barje Drill Intercepts (BAR014 to BAR020)

Drill Hole	From	To	Interval *	Au	Ag	As	Pb	Zn
	(m)	(m)	(m)	(g/t)	(g/t)	(%)	(%)	(%)
BAR014	87.00	120.00	33.00	1.14	10	0.45	0.05	0.12
including	117.70	120.00	2.30	7.46	111	1.32	0.58	1.21
BAR015	135.00	143.20	8.20	2.29	19	1.62	0.40	1.06
BAR016	101.00	120.90	19.90	1.01	11	0.48	0.03	0.10
BAR017	No significant intervals of mineralization							
BAR018	No significant intervals of mineralization							
BAR019	154.90	167.90	13.00	0.74	5	0.58	0.10	0.26
and	201.00	208.60	7.60	0.81	4	0.72	0.06	0.17
BAR020	No significant intervals of mineralization							

** The mineralization is thought to be hosted along sub-horizontal to shallowly dipping structural zones and as such the true thickness of the reported intersections is estimated to vary between 60 and 100% of apparent width. However, due to the early stage of exploration, and the spacing between current drill holes, the Company is unable to accurately estimate true widths.*

Management has concluded that as the Phase 2 drilling moved west, gold grades declined, suggesting that the chargeability anomaly is not necessarily diagnostic of the presence of high-grade gold mineralization, but more indicative of a broad halo of disseminated sulphide mineralization. The first 13 holes of Phase 2 identified an extensive zone of high-grade gold-silver-base-metal mineralization at Tlamino with excellent continuity of mineralization from hole to hole, which the Company will be studying over the winter to try to identify additional possible controls. The Company will also be looking to test the open-ground between Barje and Liska, which are over one kilometre apart, and aligned on a north-northeast axis, for potential blind targets beneath a conglomeratic unit.

Karamanica Prospect

The Karamanica prospect is located within the Tlamino Project, approximately eight kilometres to the northwest of Barje. Earlier in 2017, work at Karamanica identified high-grade mineralization and a best channel sample of 84 metres at 5.6 g/t Au (see news release of July 18, 2017). Karamanica is dominated by a series of large-scale northwest-trending faults, which cut packages of schists, calc-schists, and quartz-feldspar porphyry dykes.

In 2017, the Company completed a program of detailed mapping and rock sampling, plus grid-soil sampling at Karamanica, with samples collected on a 200 metre by 50 metre grid. Initial reconnaissance work has identified strongly altered and brecciated felsic volcanics, locally significant calcareous schists, graphitic schists, and limestones, and zones of galena-sphalerite and pyrite-silica mineralization. Despite poor outcrop exposure in the area, a total of 129 rock chip samples have been collected to date on the prospect, with 14 returning assays greater than 1 g/t Au. The rock chip samples returned highs of 11.1 g/t Au, 7.1 g/t Au and 5.5 g/t Au, typically associated with the pyrite-silica mineralization.

Results from the soil sampling program highlight two large gold-in-soil anomalies. The first extends over an area of approximately 1 kilometre by 1 kilometre, and is associated with a regional northwest-trending fault, which offsets felsic volcanic rocks from basement schists and calcareous schists. The second, located approximately 1 kilometre north of the first anomaly, extends over approximately 800 metres by 600 metres. Mineralization appears to be associated with of the presence of disseminated to massive sulphides within the host calcareous schists. The same fault structure hosts blind massive carbonate-replacement Pb-Zn-Ag mineralization.

During the summer and fall of 2018, the Company completed a ground geophysical survey (IP-Resistivity) over the main prospective zones of anomalous soil and rock chip geochemistry at Karamanica, covering 32 line kilometres, with a line spacing of 200 metres. The survey identified two northwest-trending chargeability anomalies containing values of >30 mV/V. The first anomaly is located in the southwest-side of the survey, extending two kilometres northwest-southeast by up to 600 metres, and is coincident with an extension of a northwest-trending fault associated with mineralization in the polymetallic mine to the southeast. The second anomaly is located on the northeast-side of the survey, extending 750 metres northwest-southeast by 250 metres, and is open to the southeast. This shallow anomaly is coincident with mineralization observed within calcareous (limestone) units. Both of these anomalies require follow-up and will be drill tested in 2019.

The Ljubata Project

In the fall of 2017, the Company completed a ridge-and-spur soil sampling program on the Ljubata Project, which is comprised of the Ljubata, Crnook and Radovnica licences wholly-owned and operated by the Company. A total of 2,096 soil samples were collected at a sample spacing of 100 metre using a ridge-and-spur sampling approach to effectively cover the trend of a major detachment fault. The Company has interpreted the fault to have an important association with both gold-silver and lead-zinc mineralization in the region. The fault separates the Vlasina Schists from the underlying basement rocks of the Crnook Dome. It is a low-angle structure, continuous for nearly 50 kilometres, and rings the Crnook Dome. The detachment fault is thought to be a significant control on the distribution of mineralization which is believed to occur along the fault hosted in breccias (e.g. at the Barje Prospect – part of Tlamino), and also in high angle structures (e.g. Karamanica – 10 kilometres northwest of Barje) parallel and proximal to the detachment.

The program identified two areas of strongly elevated multi-element geochemistry:

- A 3 kilometre by 1 kilometre Au+As+Pb+Zn anomaly, with 10 samples assaying greater than 100 ppb Au, located on the western flanks of the Crnook Dome, and within the Ljubata licence. It occurs in proximity to a calcareous schist, of the Vlasina Unit, and also a young porphyry unit, considered to be of a similar age to the mineralization in the region, and appears to be geologically similar to the Karamanica target, located approximately 15 kilometres to the southeast.
- A 2 kilometre by 1.5 kilometre Au+As+Cu+Pb+Zn anomaly, with 4 samples assaying greater than 100 ppb Au, located on the northern edge of the Crnook Dome, also with the Ljubata licence.

Maps showing the anomalies are available on our website at: https://medgoldresources.com/projects/ljubata

The Company has covered the primary targets of the Ljubata, with approximately 1,000 samples, via a program of grid-soil sampling. This follows on from the targets identified via the ridge-and-spur soil sampling. Samples have been submitted to the laboratory and assays are expected in the fall. Should significant targets be identified, ground geophysics over the main anomalies can be justified, and could be undertaken in the spring of 2019.

Quality Assurance and Quality Control (QA-QC)

The Company follows industry best practices for its prospecting and geochemical sampling campaigns. Samples are delivered by Company personnel directly to the assay laboratory facilities in Bor, Serbia. Rock chip samples are analysed by ALS Chemex using analytical method codes Au-ICP21 and ME-MS61, with overlimits for gold and silver analysed by GRA21, and for Ag, Pb, and Zn by OG62. Stream sediment samples are sieved and dried, and analysed for gold and multi-elements using analytical method code Au-ICP21 and ME-MS61. Soil samples are sieved and dried and analysed for gold and multi-elements using analytical method code Au-TL43. The Company routinely inserts appropriate multi-element geochemical standards and blanks into its rock chip sample stream, and inserts regular field duplicate samples into the sample stream. For stream sediment and soil samples, regular field duplicates are collected to monitor laboratory performance.

Drilling is carried out using PQ and HQ size tooling. Drill core is cut in half by the Company using a rock saw with one half of the core then taken as a sample for analysis. Sample intervals are generally between 50 to 150 centimetres producing samples of between 2 to 9 kg. Approximately 4% of samples are duplicated by submitting primary and duplicate quarter-core samples. Half-core samples are delivered to the ALS Geochemistry laboratory facilities in Bor, Serbia. The samples are crushed and pulverised using method code PREP-31, are fire assayed for Au using method code Au-ICP21, and are analysed for multi-elements using method code ME-MS61 following a four-acid digestion. Overlimits are analysed using an appropriate method. The Company routinely inserts multi-element geochemical standards, blanks, and field duplicate samples into the drill core sample stream to monitor laboratory performance.

Qualified Person

David Clark, M.Sc., P.Geo., a member of the Association of Professional Engineers and Geoscientists of British Columbia, is the Company's Qualified Person as defined by National Instrument 43-101, and has approved the disclosure of the technical information in this Interim MD&A.

Quarterly Information

The following table provides information for the eight fiscal quarters ended September 30, 2018:

	Sep. 30, 2018 ($)	June 30, 2018 ($)	Mar. 31, 2018 ($)	Dec. 31, 2017 ($)	Sep. 30, 2017 ($)	June 30, 2017 ($)	Mar. 31, 2017 ($)	Dec. 31, 2016 ($)
Exploration expenditures from continuing operations	89,726	103,102	188,967	518,490	292,466	194,861	344,093	368,881
General and administrative expenses from continuing operations	255,357	237,751	146,820	121,371	303,053	142,924	123,964	260,406
Loss from continuing operations	(343,798)	(339,918)	(334,526)	(638,150)	(594,182)	(337,024)	(467,393)	(624,140)
Income (loss) from discontinued operations	-	-	-	(149,293)	(31,143)	(188,916)	(178,212)	165,584
Basic and diluted loss per share for continuing operations	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)
Basic and diluted income (loss) per share for discontinued operations	-	-	-	(0.00)	(0.01)	(0.00)	(0.00)	0.00

As a result of the Company selling one of its Portuguese subsidiaries, the dissolution of its subsidiary in Spain, and the cessation of operations in its other Portuguese subsidiary during the 2017 fiscal year, the results of operations relating to Portugal and Spain were re-classified as discontinued operations in 2017. The results of operations for prior periods presented in the Quarterly Information summary above were restated as well.

General and administrative expense from continuing operations for the quarters ended September 30, 2018 and 2017 were significantly impacted by share-based payments charges of $107,634 and $128,554, respectively, which relate to the issuance of stock options.

Results of Operations

Quarter ended September 30, 2018

For the quarter ended September 30, 2018, the Company had a net loss of $343,798 compared to a net loss of $625,325 for the quarter ended September 30, 2017, a decrease of $281,527. This decrease is partly due to exploration costs of $89,726 being recorded in the current quarter compared to $292,466 in exploration costs for continuing operations during the comparative quarter, a decrease of $202,740, and costs for discontinued operations totaling $31,143 for the comparative quarter compared to none for the current quarter. Exploration costs for the current quarter were less than the comparative quarter because most activity was on properties in Serbia optioned to Fortuna and which Fortuna reimbursed the Company for those costs.

General and administrative expenses totaled $255,357 for the current quarter compared to $303,053 for the comparative quarter, a decrease of $47,696. Notable cost increases in the current quarter were $20,920 in share-based payments, $11,321 in office and administration, and $8,600 in management fees. The share-based payments expense relates to the granting of stock options. Office and administration expenses were less due to the Company being charged a lessor portion of shared administrative costs. Management fees for the comparative quarter were higher as the value of shares issued to the President of the Company during that period was included in management fees whereas there were no shares issued as part of his compensation during the current quarter.

Nine months ended September 30, 2018

For the nine month period ended September 30, 2018, the Company had a net loss of $1,018,242 compared to a net loss of $1,796,870 for the nine month period ended September 30, 2017, a decrease of $778,628. Exploration costs from continuing operations for the current period were $381,795 compared to $831,420 for the comparative period, a decrease of $449,625. As with the quarterly comparison, the comparative period recorded costs of $398,271 from discontinued operations compared to none for the current period.

General and administrative expenses totaled $639,928 for the current period compared to $569,941 for the comparative period, an increase of $69,987. General and administrative costs for the current period included a foreign exchange loss of $3,623 compared to a foreign exchange gain of $8,816 in the comparative period. Most notable cost increases during the current period were $64,554 in shareholder communications and $17,916 in travel and accommodation. These costs were higher due to more investor relations services being used and more promotional activities. Notable costs decreases during the current period were $18,136 in office and administration and $12,073 in salaries and benefits which, as with the quarterly comparison, were due to the Company being

charged a lessor portion of shared administrative costs. Both the current and comparative periods recorded share-based payments expenses of $138,088 and $128,554, respectively, relating to the granting of stock options.

Liquidity and Capital Resources

The Company's cash resource as at September 30, 2018 was $519,462, a decrease from $1,038,406 as at December 31, 2017. At September 30, 2018, the Company had current assets totaling $761,807 and current liabilities totaling $413,180, for working capital of $348,627. Included in current liabilities is an exploration advance of $272,312 provided by Fortuna during the period ended September 30, 2018 for Tlamino Project exploration but expended by the Company subsequent to the period-end.

On October 17, 2018, the Company closed a private placement of 4,902,800 units at $0.30 per unit for gross proceeds of $1,470,840. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share exercisable for two years at a price of $0.40. During the period ended September 30, 2018 the Company received proceeds of $61,500 from the exercise of 370,000 stock options. During the 2017 fiscal year, the Company received $2,481,295 through the exercise of 16,700,073 share purchase warrants. Current cash resources are being used for exploration work and general working capital requirements.

With the recently completed private placement, the Company expects its capital resources to be sufficient to cover its corporate operating costs and carry out exploration activities for the next twelve months. However, actual funding requirements may vary from those planned due to a number of factors including potential property acquisitions and exploration activity. As such, the Company may need to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto.

Related Party Transactions

See Note 12 of the condensed interim consolidated financial statements for the nine months ended September 30, 2018 for details of other related party transactions which occurred in the normal course of business.

Other Data

Additional information related to the Company is available for viewing at www.sedar.com.

Share Position and Outstanding Options

As at November 26, 2018, the Company's outstanding share position is 94,789,032 common shares and the following stock options are outstanding:

No. of options	Exercise price	Expiry date
100,000	$0.20	February 7, 2019
3,230,000	$0.15	February 23, 2024
1,920,000	$0.15	June 28, 2026
420,000	$0.20	July 24, 2027
150,000	$0.20	February 7, 2028
300,000	$0.37	July 24,2028
6,120,000		

Accounting Policies and Basis of Presentation

The Company's significant accounting policies and future changes in accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2017. The following outlines the new accounting standards and amendments adopted by the Company effective January 1, 2018:

Amendment to IFRS 2 Share-based Payment

IFRS 2 Share-based Payment clarifies the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features for withholding tax obligations and modification to the terms and conditions of a share-based payment that changes the transaction from

cash-settled to equity settled. This amendment did not have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments

The Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 9 did not have a material impact the Company's classification and measurement of financial assets and liabilities. The standard also had no impact on the carrying amounts of our financial instruments as at the transition date of January 1, 2018.

Risks and Uncertainties

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

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

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

Political, Regulatory and Currency Risks

The Company's mineral properties are located in economically stressed, but politically stable European countries and consequently may be subject to a higher level of risk compared to less economically stressed countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in such nations can be affected by changing economic, regulatory and political situations. The

Company's equity financings are sourced in Canadian dollars but for the most part it incurs its exploration expenditures in British pound sterling, Euros, and Serbian dinars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the British pound sterling, Euro, or Serbian dinar could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

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

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

Environmental and Social Risks

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

Competition

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