



(the “Company”)

INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Nine Months Ended September 30, 2019

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, 2019. The following information, prepared as of November 28, 2019, should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for nine months ended September 30, 2019 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, 2018 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The September 30, 2019 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 entity 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.

Corporate Activity

In January 2019, Mr. Jeremy Crozier was appointed Acting President of the Company, to succeed Daniel James who resigned as President and a director. Mr. Crozier was subsequently appointed as President, CEO and a director of the Company, while Mr. Simon Ridgway remains on the Board of the Company in the capacity of Executive Chairman.

Mr. Crozier brings to the Company nearly 25 years of exploration, discovery, business development, and operating experience gained in Europe, North America and Africa, and holds BSc and MSc degrees in geology. He plays a central role in the advancement of the Tlamino Gold Project in Serbia, including the oversight of exploration and all in-country activities.

Serbia - Exploration Review

The Company is targeting gold-silver epithermal and gold-bearing porphyry systems associated with an Oligo-Miocene igneous belt within 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 State, during 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 and silver exploration projects in Serbia. Since this time the Company has been granted five exploration licences – two of which comprise the Tlamino Project - and is in the process of applying for two others. Exploration work to date has led to the drill-definition of a zone of continuous gold mineralization at the Barje Prospect at Tlamino measuring 700 metres by 250 metres.

All exploration programs conducted at the Tlamino Project are fully funded by Fortuna Silver Mines Inc. (NYSE: FSM) (TSX: FVI) and directed by a joint Fortuna-Medgold technical committee pursuant to the terms of the Tlamino Option Agreement announced on March 7, 2017.

Following on drilling programs conducted at the Tlamino Project in 2018 (see below for details), the Company and Fortuna approved a \$2-million budget to continue drilling the Project in 2019 by conducting a program of up to 5,000 metres of diamond drilling.

The Company has recently relinquished the Crnook Licence (see “Additional Prospecting on the Company’s Licences” below) and as a result, currently holds four granted exploration licences, each covering approximately 100 square kilometres. The licences are located adjacent to the borders of North Macedonia and Bulgaria, in the southeast of the country, and include the Donje Tlamino and Surlica-Dukat licences, which comprise the Tlamino Project optioned to Fortuna, and the adjacent Ljubata and Radovnica licences. In addition to the four granted licences, the Company has two active licence applications, one of which is adjacent to the existing Tlamino landholding and the other covering prospective ground elsewhere in the Oligo-Miocene igneous belt of Serbia.

Option Agreement with Fortuna

Pursuant to an agreement signed in March 2017, as amended, the Company granted to Fortuna the option to acquire an initial 51% interest in the Tlamino Project (comprised of the Donje Tlamino and Surlica-Dukat licences) by spending a minimum of US\$3.0 million on the Tlamino Project by no later than the third anniversary of the date of the option agreement. Once it has earned 51%, Fortuna may elect to form a 51:49 joint venture with the Company to further develop the Tlamino Project; or Fortuna may elect to be granted the option to earn an additional 19% interest in the Tlamino Project by completing a preliminary economic assessment on the Tlamino Project and spending an additional US\$5.0 million in qualified expenditures within three years following the date of the election by Fortuna.

The Tlamino Gold Project

The Tlamino Gold Project is located in southern Serbia, and includes three prospects: Barje, Liska and Karamanica.

Barje and Liska Prospects

At the Barje Prospect, mineralization is hosted within shallowly dipping fault zones and their immediate hanging wall within a sequence of schist. Mineralization is truncated on its southern edge by an east-west fault with conglomerate sequences to the south. Liska is located approximately 1.5 kilometres to the southwest of Barje and was drilled in the 1970s by Yugoslav State companies, discovering a lensoid-shaped volume of rock with 1-2 % combined Pb and Zn striking northeast towards Barje; State data does not include assays for Au or Ag from drill core samples. The mineralization at Liska is hosted in schist/gneiss at and immediately below the base of the conglomerate sequences and potentially represents the down-faulted continuation of the mineralization at Barje.

2018 Drill Program

During May and June 2018, the Company completed an initial seven drill holes at Barje-Liska, and a second phase of 24 drill holes was completed during the fall of 2018. The drill programs were 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.

Based on 3D re-interpretation of drill data and geology, the previously announced 500 metre by 400 metre mineralized zone at the Barje Prospect is now seen to extend 700 metres east-west by 250 metres north-south within a structurally-bound, shallowly-dipping hydrothermal breccia below altered schist. This mineralization ranges in vertical grade-thickness from 10 to 151 gram-metres and appears to be bounded to its south by a fault. Drilling west of this zone returned only sporadic intervals of gold mineralization.

The Company drilled two holes south of the historically-reported mineralization at Liska during 2018, targeting an IP anomaly defined by the Company's geophysical surveys during 2017 and 2018; the two holes intersected only weak mineralization.

Additional maps and information for Barje-Liska are available on the Company's website at <http://medgoldresources.com/tlamino/>.

2019 Drill Program

During the summer of 2019, a further phase of drilling was conducted at the Tlamino Project, consisting of 11 holes totaling 2,092.7 metres of diamond drilling (see news release dated [September 18, 2019](#)). Intersected mineralization includes 32.35 metres at 3.48% combined Pb+Zn with 0.25 g/t Au in hole LIS006, and 30.0 metres at 3.95% combined Pb+Zn with 0.11 g/t Au in hole LIS007. The latter interval falls approximately 290 metres north of historically-reported mineralization at Liska (see news release dated [March 21, 2019](#)), suggesting a broad zone of Pb+Zn mineralization over a north-south interval in excess of 600 metres.

Two holes, BAR031 and BAR032 were drilled to the east of previous hole BAR010 (38.20 metres at 3.98 g/t Au, 158 g/t Ag and 0.66 % Pb+Zn; see news release dated [September 20, 2018](#)). Both holes intersected hydrothermal breccia that appears to be same shallow-dipping structure containing the hydrothermal breccia in BAR010. BAR032 returned the strongest intersection from the 2019 drilling at Barje reporting 14.5 metres at 2.13 g/t Au including 2.0 metres at 7.35 g/t Au.

Drill hole locations at Barje and Liska from 2019, and significant intersections from these holes are shown in Figure 1, and Tables 1 and 2 below.

Figure 1. Drilling locations at Barje and Liska.

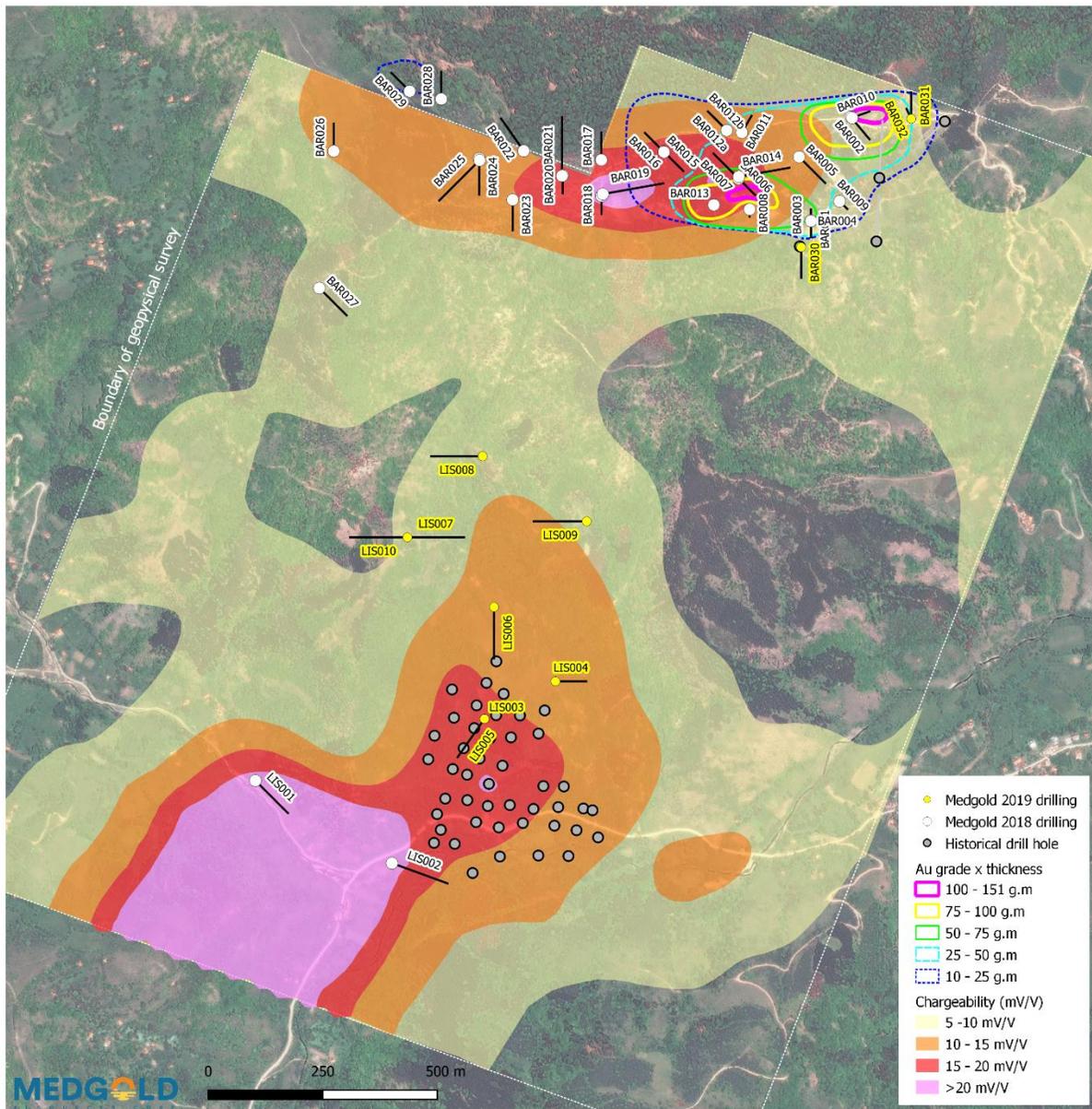


Table 1. Barje-Liska Drill Intercepts 2019.

Drill hole	From (m)	To (m)	Interval length (m)	Inclination ¹	Vertical thickness ² (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	ZnPb combined ³ (%)
LIS003	76.70	108.70	32.00	-90	32.00	0.12	1.84	0.60	0.41	1.01
LIS004	No significant mineralization									
BAR030	No significant mineralization									
LIS005	90.90	150.25	60.05	-60	52.00	0.13	1.56	0.59	0.24	0.83
LIS006	120.60	152.95	32.35	-61	28.29	0.25	6.82	2.30	1.18	3.48
and	172.60	223.50	50.90	-59	43.63	0.03	3.09	0.97	0.12	1.10
LIS007	198.60	228.60	30.00	-58	25.44	0.11	8.33	2.83	1.12	3.95
inc.	212.60	217.60	5.00	-57	4.19	0.24	15.44	6.32	1.89	8.21
LIS008	No significant mineralization									
LIS009	No significant mineralization									
LIS010	No significant mineralization									
BAR031	0.00	32.90	29.40	-52	23.17	0.70	5.07	0.20	0.10	0.30
inc.	15.80	27.80	8.50	-52	6.70	1.49	9.72	0.65	0.24	0.89
BAR032	0.00	15.50	14.50	-71	13.71	2.13	6.97	0.27	0.13	0.40
inc.	10.00	12.00	2.00	-71	1.89	7.35	23.05	1.36	0.70	2.06

¹ - Drill hole inclination and azimuth were surveyed every 30m down the hole with some additional readings in the first and last 30m of each hole. The reported dip uses the surveys within or closest to the reported intersection.

² - Mineralization at Liska and Barje are related to shallow-angle structural control. The calculated vertical thickness is regarded as a reasonable estimate of the true thickness of mineralization.

³ - May contain differences due to rounding.

Table 2. Barje-Liska Drill Collars 2019.

Drill hole	Easting ¹	Northing ¹	Elevation (m)	Azimuth (°)	Inclination (°)	Length (m)
LIS003	616134	4690772	1001	0	-90	179.50
LIS004	616289	4690854	990	90	-60	134.50
BAR030	616825	4691801	1083	180	-70	195.00
LIS005	616134	4690772	1001	225	-60	203.50
LIS006	616155	4691016	1038	180	-60	223.50
LIS007	615966	4691168	1059	90	-60	247.00
LIS008	616130	4691345	1027	270	-60	224.20
LIS009	616357	4691203	1028	270	-60	225.20
LIS010	615966	4691168	1059	270	-60	301.00
BAR031	617065	4692081	1111	0	-50	89.30
BAR032	617065	4692081	1111	335	-70	70.00

¹ - Coordinates are given in WGS84 datum and UTM zone 34 projection.

Karamanica Prospect

Located approximately 8 kilometres northwest of Barje, the Karamanica Prospect hosts a 2 kilometre by 1.5 kilometre soil anomaly in which samples returned values generally above 0.1 g/t gold. Within this anomaly locally-elevated concentrations of Ag, Cu, Pb, Zn, As and Sb are seen to form distinct NW-SE linear features, which are in turn partly co-incident with linear zones of anomalous IP chargeability indicated by the Company's geophysical surveys during 2018.

The strongest, chargeability anomaly, trending NW-SE, follows the trend of a fault structure associated with reported mineralization from historic drilling and underground workings at the Podvirovi polymetallic showing. Podvirovi is held in a mining permit by Bosil Metal doo, a subsidiary of Mineco Limited, immediately adjacent to the Company's landholding.

In September and October 2019, 1,996.4 metres of diamond drilling was completed at the Karamanica prospect in eight holes.

Results from the first hole of the drill program - KAR001 - targeting the Podvirovi structure at a relatively shallow depth, include 8 metres at 0.29 g/t Au and 3.19 g/t Ag (see news release dated [October 30, 2019](#)). Mineralization in this interval is hosted in carbonaceous schist with traces of disseminated pyrite and quartz-pyrite veins. Mineralization observed in core from KAR001 is thought by the Company to suggest potential for an exploration target in the Podvirovi structure below the level of the current drilling. Holes KAR002, KAR003, KAR005 and KAR007 targeted the same structure along strike from KAR001 but intersected only weak mineralization (see news release dated [November 28, 2019](#)). Holes KAR004, KAR006 and KAR008 tested other structural and geochemical targets but did not intersect any significant mineralization; Drill hole locations at Karamanica, and results from the eight holes are shown in Tables 3 and 4 below.

Additional maps and information for Karamanica are available on the Company's website at <http://medgoldresources.com/tlamino/>.

Table 3. Karamanica Drill Intercepts 2019.

Drill hole	From (m)	To (m)	Interval length (m)	Inclination ¹	True thickness ² (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	ZnPb combined ³ (%)
KAR001	124.80	132.80	8.00	-61	6.04 ⁴	0.29	3.19	0.10	0.03	0.13
KAR002	102.70	104.00	1.30	-59	1.01	0.41	10.00	0.60	0.11	0.71
and	241.00	243.00	2.00	-57	1.61	0.90	0.35	0.05	0.01	0.05
KAR003	78.00	80.00	2.00	-59	1.56	0.35	35.40	0.16	0.10	0.26
KAR004	No significant mineralization									
KAR005	58.20	68.90	4.00	-60	3.05	0.36	40.96	0.10	0.12	0.22
KAR006	No significant mineralization									
KAR007	45.00	47.00	2.00	-58	1.57	0.31	5.41	0.86	0.12	0.97
KAR008	No significant mineralization									

¹ - Drill hole inclination and azimuth were surveyed every 30m down the hole with some additional readings in the first and last 30m of each hole. The reported dip uses the surveys within or closest to the reported intersection.

² - Mineralization at Karamanica is thought to be hosted along structural zones inclined at approximately 70° to the horizontal. The calculated true thickness is regarded as a reasonable estimate of the true thickness of mineralization perpendicular to the structure.

³ - May contain differences due to rounding.

⁴ - This number has been revised from the news release of October 30, 2019, due to an error in the previous calculation of true thickness.

Table 4. Karamanica Drill Collars 2019.

Drill hole	Easting	Northing	Elevation (m)	Azimuth (°)	Inclination (°)	Length (m)
KAR001	609472	4690235	1618	45	-60	299.50
KAR002	608582	4690968	1632	45	-60	245.90
KAR003	608139	4691381	1586	0	-60	296.50
KAR004	609043	4692494	1734	0	-60	200.20
KAR005	607908	4691504	1555	20	-60	311.00
KAR006	608673	4692305	1710	45	-60	201.00
KAR007	608299	4691262	1638	45	-60	218.00
KAR008	609157	4692138	1615	225	-50	224.30

Additional Prospecting on the Company's Licences

In the fall of 2017 the Company completed a ridge-and-spur soil sampling program within its Ljubata, Crnook and Radovnica licences. A total of 2,096 soil samples were collected at a sample spacing of 100 metres, with the objective of covering the trend of a detachment fault, which the Company at that time interpreted to have an important association with gold-silver, and lead-zinc mineralization in the region.

Ridge-and-spur sampling was extended with an additional 520 soil samples during 2018. Overall the program identified two areas of elevated multi-element geochemistry, one of which was followed up by additional soil sampling at 50 metre spacing along lines 200 metres apart during 2018 (664 samples). Results of the follow-up sampling indicated low-level, off-set, anomalies of gold and base-metals but no additional field work was carried out.

Based on re-interpretation of data by current Management, the Company has dropped the Crnook licence area due to lack of positive results.

Data Verification / Quality Assurance and Quality Control (QA-QC)

Geophysical data from 2017 was collected by Géophysique TMC of Val-d'Or, Canada. Géophysique TMC's report, prepared by Joël Simard, P.Geol./Geoph. (Ontario), was reviewed to verify that information presented in this news release is consistent with the report's findings and that no quality issues were reported during data collection or processing.

Geophysical data from 2018 was collected by Enerson Mühendislik Sond. Mad. Pet. Jeo. Mak. Elek. San. Tic. Ltd. Şti. ("Enerson") of Ankara, Turkey. Enerson's report was reviewed to verify that information presented in this MD&A is consistent with the report's findings and that no quality issues were reported during data collection or processing.

Sample and analytical data for the Company's soil sampling during 2016 to 2018 has been verified by reviewing the Company's sampling procedures and fieldwork reports for the work. Samples were delivered to the independent ALS Geochemistry laboratory facilities in Bor, Serbia. The samples were prepared using method code PREP-41 and a 25 g aliquot of the -180 micron fraction was analyzed for gold and a multi-element suit using method code AuME-TL43.

Drilling during 2019 was carried out by independent contractors using PQ and HQ size tooling. Average core recovery for the program was 98%. Within visually identified alteration or mineralization, drill core was 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 were generally between 50 to 200 centimetres producing samples of between 2 to 9 kilograms. Samples were delivered to the independent ALS Geochemistry laboratory facilities in Bor, Serbia. The samples were crushed and pulverized using method code PREP-31, were fire assayed for Au using method code Au-ICP21, and were analyzed

for multi-elements using method code ME-MS61 following a four-acid digestion. Overlimits were analyzed using an appropriate method. The Company routinely inserted multi-element geochemical standards, blanks, and field duplicate samples into the drill core sample stream as part of a documented Quality Assurance/Quality Control (QAQC) process to monitor laboratory performance, during the 2019 drilling program QAQC material was inserted into sample batches at the following rates per primary sample: ¼ core duplicates 1 in 26; granite blanks 1 in 25; certified reference material (CRM) 1 in 14. All CRMs and blanks submitted within mineralized intervals passed the Company's QAQC controls. Sample grades were checked against recovery percentage for potential bias; no discernable high- or low-grade bias was observed.

Qualified Person

Mr. Thomas Sant, FGS, CGeol, EurGeol, 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, 2019:

	Sep. 30, 2019 (\$)	June 30, 2019 (\$)	Mar. 31, 2019 (\$)	Dec. 31, 2018 (\$)	Sep. 30, 2018 (\$)	June 30, 2018 (\$)	Mar. 31, 2018 (\$)	Dec. 31, 2017 (\$)
Exploration expenditures from continuing operations	32,762	28,489	85,511	123,703	89,726	103,102	188,967	518,490
General and administrative expenses from continuing operations	180,044	211,948	354,739	154,151	255,357	237,751	146,820	121,371
Loss from continuing operations	(211,231)	(234,556)	(437,635)	(273,071)	(343,798)	(339,918)	(334,526)	(638,150)
Loss from discontinued operations	-	-	-	-	-	-	-	(149,293)
Basic and diluted loss per share for continuing operations	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)
Basic and diluted loss per share for discontinued operations	-	-	-	-	-	-	-	(0.00)

General and administrative expenses from continuing operations for the quarters ended March 31, 2019 and September 30, 2018 were higher than other quarters presented due to share-based payments charges of \$197,678 and \$107,634, respectively, which relate to the granting of stock options.

The loss from discontinued operations recorded in the quarter ended December 31, 2017 relate to former operations in Portugal and Spain.

Results of Operations

Quarter ended September 30, 2019

For the quarter ended September 30, 2019, the Company had a net loss of \$211,231 compared to a net loss of \$343,798 for the quarter ended September 30, 2018, a decrease of \$132,567.

Exploration costs of \$32,762 were recorded during the current quarter compared to \$89,726 during the comparative quarter. The decrease of \$56,964 is due to a greater percentage of Serbia exploration being funded by Fortuna.

General and administrative expenses totaled \$180,044 for the current quarter compared to \$255,357 for the comparative quarter, a decrease of \$75,313. The most significant decrease during the current quarter was in share-based payments expense which was \$30,336 compared to \$107,634 in the comparative quarter. The most significant increase during the current quarter was in legal and accounting costs which were \$14,501 higher and related mostly to the Company's former operations in Portugal.

Nine months ended September 30, 2019

For the nine month period ended September 30, 2019, the Company had a net loss of \$883,422 compared to a net loss of \$1,018,242 for the nine month period ended September 30, 2018, a decrease of \$134,820.

Exploration costs for the current period were \$146,762 compared to \$381,795 for the comparative period, a decrease of \$235,033. As with the quarterly comparison, exploration costs for the current period were less due to a greater percentage of exploration activity being funded by Fortuna.

General and administrative expenses totaled \$746,731 for the current period compared to \$639,928 for the comparative period, an increase of \$106,803. This increase is primarily due to the current period including a share-based payments expense of \$278,231 relating to the granting of stock options compared to \$138,088 in the comparative period. Legal and accounting costs were \$27,889 higher in the current period and mostly related to the Company's former operations in Portugal. Most notable cost decreases during the current period were \$49,302 in shareholder communications and \$23,173 in travel and accommodation. These costs were less in the current period due to less investor relations promotional activities than in the comparative period.

Liquidity and Capital Resources

The Company's cash resource as at September 30, 2019 was \$1,411,414 compared to \$1,436,399 as at December 31, 2018. At September 30, 2019, the Company had current assets totaling \$1,444,660 and current liabilities totaling \$473,434, for working capital of \$971,226. Included in current liabilities is an exploration advance of \$380,500 provided by Fortuna during the period ended September 30, 2019 for Tlamino Project exploration, which funds are being expended by the Company on behalf of Fortuna subsequent to the period-end.

In October 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 consisted 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. Current cash resources are being used for exploration work and general working capital requirements.

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 11 of the condensed interim consolidated financial statements for the nine months ended September 30, 2019 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 and Warrants

As at the date of this Interim MD&A, the Company's outstanding share position is 94,789,032 common shares and the following stock options and share purchase warrants are outstanding:

No. of options	Exercise price	Expiry date
100,000	\$0.20	February 26, 2020
2,130,000	\$0.15	February 23, 2024
500,000	\$0.11	June 18, 2024
1,290,000	\$0.15	June 28, 2026
200,000	\$0.20	July 24, 2027
100,000	\$0.20	February 7, 2028
2,025,000	\$0.15	January 15, 2029
570,000	\$0.15	June 2, 2029
6,915,000		
No. of warrants	Exercise price	Expiry date
4,902,800	\$0.40	October 16, 2020

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, 2018. The following outlines the new accounting standards and amendments adopted by the Company effective January 1, 2019:

IFRS 16 Leases

IFRS 16 Leases requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The adoption of IFRS 16 did not have a material impact on the Company's condensed interim consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments

This new Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments.

The main features of IFRIC 23 are as follows:

- An entity considers an uncertain tax treatment separately or together with other uncertain tax treatments depending on which approach better predicts the resolution of the uncertainty.
- Taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates are determined based on whether it is probable that a taxation authority will accept an uncertain tax treatment.
- An entity reassesses judgments or estimates relating to uncertain tax treatments when facts and circumstances change.

The adoption of IFRIC 23 did not have a material impact on the Company's condensed interim consolidated financial statements.

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.