

MAYO LAKE MINERALS INC: MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDING DECEMBER 31, 2017 AND 2016

INTRODUCTION

The following provides management's discussion and analysis of results of operations and financial condition for the fiscal years ended December 31, 2017 and 2016. Management's discussion and analysis (MD&A) was prepared by Mayo Lake Minerals Inc. (MLM or the Company) management and approved by the Board of Directors on October 26, 2018.

This MD&A should be read in conjunction with the Company's consolidated annual financial statements for the years ended December 31, 2017 and 2016, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are presented in Canadian dollars unless otherwise indicated. The consolidated financial statements include all of the assets, liabilities and expenses of MLM.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain or refer to certain forward-looking statements relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. MLM undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS

MLM is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of mineral properties in the Yukon, Canada. The Company has not determined whether its properties contain mineral resources that are economically recoverable. It is focused on exploring and developing its gold prospective properties located in the Mayo Lake District of the Yukon. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

Yukon Property Acquisitions

The Company entered into binding letter agreements with Auropean Ventures Inc. (Auropean), a related company, in December of 2011 (amended in July 2014) for the acquisition of the Anderson, Davidson and Edmonton Creek claim groups comprising 881 claims and totalling 184 square kilometres. Initial consideration included a total of \$720,000 in cash and 180,000 common shares of the Company valued at \$18,000. On the first and second anniversary of the letter agreements, the Company completed additional payments totalling 6,480,000 common shares of the Company valued at \$648,000 in lieu of previously agreed cash payments, share issuances and exploration expenditure commitments. The vendor retained a 2.75% net smelter return royalty (NSR) on the Anderson claim group and a 2.5% NSR on the Davidson and Edmonton claim groups. The NSRs are subject to a 1% buyback.

The Company also entered into binding letter agreements with Auropean in February 2012 (amended in July 2014) for the acquisition of the Roop and Trail-Minto claim groups comprising 608 claims. Initial consideration paid included \$50,000 cash, 300,000 shares of the Company valued at \$30,000 and the assumption of demand note payable in the amount of \$100,000. This demand note bore interest at 12% per annum and was payable on demand after a three-month term. The Company agreed to provide a further 5,040,000 shares of the Company valued at \$504,000 in lieu of previously agreed future cash payments, share issuances and exploration expenditure commitments. Auropean retained a 2.75% NSR royalty on the Trail-Minto claim group and a 2.5% NSR on the on the Roop claim group, which are both subject to a 1% buyback.

The Company entered into a binding letter agreement with Auropean in April 2012 (amended in July 2014) for the acquisition of the Carlin claim group comprising 185 claims. Initial consideration paid included \$50,000 in the form of a promissory note and 100,000 common shares of the Company. On the first and second anniversary of the purchase agreement, the Company provided an additional 1,440,000 shares of the Company valued at \$144,000 in lieu of previously agreed cash payments, share issuances and exploration expenditure commitments. Auropean retains a 2.5% NSR royalty on the property, which is subject to a 1% buyback.

All of the NSR buybacks are applicable at any time up to commercial production. Any full 1% NSR can be bought back for \$1M if gold is at \$1,000 per ounce or less; \$2M if gold is at \$3,000 per ounce or more with a sliding scale between \$1,000 and \$3,000 per ounce. A buyback can be exercised in increments of 0.5%.

Following the initial acquisitions, claims were added and deleted according to the value potential of areas underlying claims and the amount of assessment work (qualified exploration costs under the Yukon Mining Act) available to maintain the claims in good standing. Table on page 3 gives a summary of the assessment work applied up to the end of 2017.

Summary of exploration expenditures filed as assessment work

Year	Claim Group	Assessment Work ¹	Description
2011, First Half 2012	Anderson-Davidson	\$113,716	High resolution airborne magnetic survey flown over all claims. Line spacing of 150m and average height of 35m above surface. Geophysical lineations and anomalies defined on all claim groups.
	Carlin	\$49,671	
	Cascade	\$15,017	
	Edmonton	\$32,616	
	Roop	\$80,585	
	Trail-Minto	\$54,516	
Second Half 2012	Anderson-Davidson	\$104,652	Regional geochemical surveys; stream sediment sampling and soil sampling along traverse lines at 100m spacing on all properties; over 2300 samples collected. Gold anomalies identified on all claim groups.
	Carlin	\$32,257	
	Cascade	\$16,928	
	Edmonton	\$16,913	
	Roop	\$37,990	
	Trail-Minto	\$46,257	
2013	Anderson-Davidson	\$29,702	Soil sampling on grid with 60m x 120m spacing; ~500 samples collected.
2014	Anderson-Davidson	\$31,764	Five soil sampling grids with 60m x 120m spacing. Anomalies confirmed and extended on all properties.
	Edmonton	\$17,599	
	Roop	\$17,579	
2015	Anderson-Davidson	\$60,534	Soil sampling on grids with 60m x 120m and 30m x 30m spacing; trenching on Anderson-Davidson.
	Carlin	\$16,831	
	Edmonton	\$12,433	
	Trail-Minto	\$33,139	
2016	Carlin	\$11,632	Soil sampling grids from previous years were expanded and infilled at 60m x 120m spacing; a spatiotemporal geochemical hydrocarbon analysis (SGH) was completed on Roop.
	Roop	\$8,700	
	Trail-Minto	\$19,215	
2017	Anderson-Davidson	\$262,700	Soil sampling at various spacings on Carlin-Roop, Cascade and Edmonton. 640m of reverse circulation drilling plus soil sampling on Anderson-Davidson.
	Carlin-Roop	\$19,963	
	Cascade	\$7,808	
	Edmonton	\$9,510	

¹ Assessment work will not necessarily equate to Exploration Expenditures; in some instances it may be less if the Expenditures did not technically qualify as Assessment Work as per Yukon Regulations.
Property Details

Anderson-Davidson is a combination of two claim groups totalling 881 claims that were staked separately in 2011. Two claims were disqualified from the original application for registration. In 2015, 4 claims were added, 73 claims lapsed and the two claim groups were melded together. At the end of 2016, a total of 605 claims were in good standing. During 2017, a further 22 claims were added, bringing the total to 627 claims, totalling 129.4 sq. km. in area. Assessment work was applied during 2017 to extend the claims until 2021.

Trail-Minto consisted of 284 claims at the end of 2013; initially 230 claims were purchased from the vendor, subsequently 54 claims were added in the common Area of Interest. At the end of 2017, a total of 179 claims, totalling 35.5 sq. km. in area, are in good standing until October 2018.

Carlin-Roop consists of two adjacent claim groups, marked by similar geology. The Company melded these two into one claim group totalling 186 claims in 2017. Originally Roop was comprised of 378 claims and Carlin 185 claims. A further 32 claims were added to Carlin within the common Area of Interest. In 2014, 291 Roop claims lapsed and in 2015, 144 Carlin claims lapsed. A total of 186 claims, totalling 36.3 sq. km. in area, were in good standing at the end of 2016. Application of assessment work completed in 2017 will leave the Carlin-Roop claims in good standing until April 2019.

Edmonton was originally comprised of 205 claims, but because of geographic separation, 52 claims were sectioned off into the **Cascade** claim group. In 2015, 58 claims lapsed leaving Edmonton with a total of 95 claims totalling 19.5 sq. km. in area, which are in good standing until April 2019 and Cascade with 52 claims totaling 10.5 sq. km. in area, which are in good standing until mid-2018.

Title to Properties

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee property title which may be subject to unregistered prior agreements or transfers, non-compliance with regulatory requirements or aboriginal land claims or affected by undetected defects.

Geology and Mineralization of the Mayo Lake Area

Regional geology shows metamorphosed Upper Proterozoic to Lower Cambrian Hyland Group sediments in contact with younger Devonian to early Carboniferous metasedimentary units of the Ern Group and Keno Hill Quartzite along a major thrust fault, the Robert Service Thrust. Mid-Triassic mafic sills and greenstones are common within the younger units but are rarely encountered in other units. All units have been intruded by the Mid-Cretaceous Age Tombstone Plutonic Suite, which host several gold deposits, such as the Eagle Project at Dublin Gulch with resources of 6.3 million ounces of gold at a grade of 0.66g Au/t including reserves of 2.7 million ounces of gold at a grade of 0.67 g Au/t. All the claim groups lie within the Tombstone Plutonic Belt.

The dominant structural features in the area are a pair of imbricated thrust sheets. The Robert Service Thrust (RST) and the Tombstone Thrust Sheet (TTS), which collectively have transported the Selwyn Basin sediments over 150 kilometres to the northeast. The RST Sheet is marked by many internal thrusts, subsequent folds and faults and a strong penetrative structural fabric imparted by the later underlying TTS. The magnetics on Edmonton and Cascade clearly show this structural complexity. The complicated structural history has resulted in much of the terrain being fertile for mineralization and mineral deposits. Mineralization within the Tintina Gold Belt is primarily the result of intrusion related gold systems. These large felsic epizonal systems result in variable deposits that on the surface may appear unrelated. Proximal mineralization associated with Tombstone intrusives are sheeted gold veins or stockworks within the rim

or immediately adjacent to Tombstone Suite plutons. Deposits such as Dublin Gulch, Brewery Creek and Fort Knox are examples of this type of mineralization.

The numerous significant gold anomalies surrounding the Roaring Fork Stock on MLM's Trail-Minto claim group could also point to sheeted-vein stockwork type of mineralization.

Much of the geochemical and geophysical data that has been collected and compiled on MLM's claim groups points to structurally related intrusion sources of defined mineralization on the claim groups. Structurally controlled quartz vein breccias characterize Gold Strike's Plateau Project (numerous high-grade intersections including drill intersections of 13.3g Au/t over 17.5m and 12.5g Au/t over 20.7m) some 60 km to the southeast of Mayo Lake and the Pogo Mine in Alaska (4.9 Moz. Au at 12.45g Au/t) are common to Yukon-Tanana Terrane and range in age from Jurassic to Paleogene. These breccias form narrow, high-grade deposits and are probably structurally related end-members of the intrusion gold model. The recently drilled gold occurrence on the Anderson-Davidson claim group likely corresponds to this type of structurally related mineralization.

Exploration Property Descriptions

A description of the geology, mineralization and MLM's exploration for each claim group is provided below. See Table on page 3 and section on *Mineral Exploration Properties and Deferred Exploration Expenditures* for additional details.

Anderson-Davidson Claim Group

Anderson-Davidson is comprised of 627 contiguous quartz claims covering an area of 129.4 square kilometres, near the community of Mayo, Yukon. The claim group is over 30 kilometres long and covers the highlands south of Mayo Lake where several placer operations actively recover gold from creeks draining the highlands. Access to Anderson-Davidson is provided by a seasonal road connecting placer operations on Davidson Creek to the all-weather Mayo Lake Road. A pre-existing, four-wheel drive track runs east-west through the center of the claim group. Anderson-Davidson is also accessible from Mayo Lake and via helicopter from the airport in Mayo.

The area has been subjected to multiple glaciations. The surface cover is a mixture of colluvium and till. Rock exposure is less than 5 percent. During an older glaciation, the uplands were covered by glacial ice which was probably cold-based with the transport of rock and debris being minimal.

The Anderson-Davidson claim group is underlain by phyllites, schists and carbonates of the Hyland Group, occasionally intruded by felsic dykes. Most stratigraphy has bedding parallel or sub-parallel to foliation, which dips shallowly generally southeast except where modified by small scale isoclinal folding.

Anderson-Davidson has a long history of placer mining. Currently Davidson Creek is being mined during the summer, whereas Anderson Creek and another locale, Dawn Gulch are operated sporadically. During Operation Keno several creeks draining the north part of the property were sampled, yielding up to 275,000 ppm Au in heavy mineral concentrates. Samples from the Yukon's regional stream geochemistry are sparse but confirmed the presence of gold on the eastern part of the property. The property has similarities to that of the Plateau Project, some 40 km to the southwest, where Newmont is required to spend \$53M to earn a 75% interest in the project.

MLM delineated numerous areas of anomalous gold from ridge and spur sampling in 2012. Further testing of one promising area by MLM delineated the Anderson Gold Trend, a 10-kilometre-long zone of elevated and anomalous Au-As-Sb values. Three gold-in-soil anomalies, with zones more than 50 ppb Au for greater than 200m of strike length within trends of elevated Au up to 2 kilometres long were identified within the Anderson Gold Trend in 2013 to 2015. Significant sections of these soil anomalies contain

greater than 100 ppb Au with others up to 500 ppb. A trench excavated at the Anderson-Owl Occurrence yielded anomalous gold in soil samples and a grab sample that assayed 3.5 g Au/t.

These targets remain open along strike in up to three directions, in some cases following or crossing untested topographic depressions. Many geochemical targets remain to be tested, both within and outside of the Anderson Gold Trend.

In the Davidson part of Anderson-Davidson, stream sediment and soil sampling has identified a number of gold anomalies ranging from 400m to 1500m in length with associated Sb and As halos. One Au target was verified with a SGH survey. Some of the grids need extending to better determine the probable bedrock source of the Davidson Creek placers.

At Anderson-Davidson, a 2017 scout reverse circulation (RC) drilling campaign tested the Anderson-Owl anomaly, within the Anderson Gold Trend and intersected a gold-bearing system in drift covered bedrock; this in spite of the fact that the soil anomaly had been displaced by surficial processes. In total, 640m was drilled in 8 RCHs on two separate fences 50m apart. The newly discovered bedrock vein gold system had two mineralized structures, which correlated across both fences. The quartz sulfide vein structures had significant Au+As+Sb+Hg and contained abundant stibnite-arsenopyrite-pyrite mineralization associated with quartz veins and silica-cemented breccia.

One structure (Alpha) yielded 0.77g Au/t over 6.1m, including 0.90 g Au/t over 3.1m, from the bedrock-drift interface 4.6m down-hole in RCH MLM17-005; and 0.55 g Au/t over 3.0m from 3.1m down hole in RCH MLM17-006. Gold grades were highest at the bedrock – drift interface. The structure appears continuous for at least 50m between holes. The width and grade of the Alpha structure could not be determined because of the drill entering into the structure at the bedrock interface. The higher grades of gold at the top of the holes suggest that gold grades could increase in the undrilled part of the structure. A second structure was intersected by RCHs MLM17-002, 003, 005, 006 and 007 and yielded grades averaging about 0.14g Au/t over intervals of between 1.5m to 7.6m, at an average depth of 70m.

In 2018, subject to the availability of funds, MLM is planning to diamond drill the Alpha structure in order to determine its full width, the nature of its mineralization and its gold content; to drill test the other known gold in soil anomalies within the Anderson Gold Trend; and to locate other gold in soil anomalies within the Trend that merit drill testing. Other prospective areas are present at Anderson-Davidson that merit further exploration, specifically in the vicinity of the Davidson Creek placer operations.

Trail-Minto Claim Group

Trail-Minto is composed of 179 contiguous quartz claims covering an area of 35.5 square kilometres. Access to Trail-Minto is provided by two pre-existing seasonal roads that cut across the northern and southern edges of the claim group. The roads connect to the Silver Trail Highway, 2.5 kilometres east of the property. Two past producing placer operations are present on creeks draining the property.

Trail-Minto is over 15 kilometres long and covers the highlands west of Silver Trail and south of Mount Haldane. The uplands within Trail-Minto are covered by a mixture of colluvium and till. Outcrop is sparse on the property, rarely exceeding 5 per cent. Trail Minto has been subjected to multiple glaciations but lies beyond the western limit of the most recent glaciation. Due to the elevation of the upland, ice was probably cold-based and transport of rock and debris was minimal. However, some of the upland's surface may be covered by patches of stratified glaciofluvial sediments and/or fluvial sediments formed through periglacial slope processes.

Trail-Minto is underlain by phyllites, schists and carbonates of the Hyland Group metasediments, occasionally intruded by felsic and mafic plugs and dykes. Most stratigraphy has bedding parallel or sub-

parallel to foliation, which generally dips shallowly southeast except where modified by small scale isoclinal folding. The Roaring Fork Stock underlies the south part of the Trail-Minto.

Airborne magnetics flown by MLM in 2012, delineated patterns that were indicative of (i) an underlying N-S oriented intrusion or alteration related to the same intrusion in the southern two-thirds of the property and (ii) a broader E-W oriented buried intrusion in the northern one-third of the property. Magnetic lineations primarily paralleled or are oblique to the major oblong magnetic anomalies. The N-S oriented pattern relates to the Roaring Fork Stock and the E-W pattern probably relates to a buried intrusion as witnessed by small mafic and granodiorite plugs outcropping in this area.

Reconnaissance-type soil sampling completed by MLM in 2012 and 2015 outlined a number of WNW trending Au+As+Sb anomalies in the northern part of the property. Soil sampling completed in 2012, 2015 and 2016 over the southern part of the property adjacent to the Roaring Fork Stock and its buried projections is characterized by Au in soil anomalies that generally have a N-S orientation with some oblique variations. Contour for other elements seem to define patterns that reflect the presence of the Roaring Fork Stock, alteration of the Stock and adjacent wallrock mineralization. The gold mineralization appears to have been transported and precipitated along faults and joints within the Roaring Fork Stock and the adjacent altered wallrock; the mineralization, faults and joints being in part induced by the Stock. Gold mineralization is expected to be intrusion related, such as at Victory Gold's Eagle deposit, or structurally controlled intrusion related mesothermal or epithermal gold bearing veins and stockworks.

In 2018 MLM plans to trench Au in soil anomalies that it has delineated within, and adjacent to, the Roaring Fork Stock. This will determine priority targets for subsequent drilling. Subject to availability of funds, a large area as defined by airborne magnetics, geology and adjacent soil geochemistry will also be sampled for determination of multielement, including Au, content in soils.

Carlin-Roop Claim Group

Carlin-Roop, which is the amalgamation of two earlier individual, but contiguous claim groups, is composed of 186 contiguous quartz claims covering an area of 36.3 square kilometres. The claim groups cover the eastern reaches of the Gustavus Range, which is bisected east to west by the Granite-Keystone Creek valley. Peaks are generally rounded with steep drop-offs or cliffs at the lips of valleys.

Granite Creek was historically prospected for placer potential. Beginning in 2013, a placer operation has been active and pockets containing up to 300 ounces of gold have been mined. Many of the tributaries to Granite Creek have been staked for additional placer potential. The placer operation on Granite Creek can be accessed by a road originating in Keno.

The claim group has been subjected to multiple glaciations. The youngest glaciation was confined to the trunk valleys occupied by Mayo Lake and the lower part of Granite Creek. This ice was probably cold-based, resulting in minimal erosion except within part of the Granite Creek valley where most of the terrain is now covered by variable thicknesses of till. Outcrop is uncommon, mostly along scarps on the edge of glacial valleys. Soil development is immature and extensively cryoturbated.

Carlin-Roop is underlain by Keno Hill Quartzite interlayered with minor andesitic volcanics and intruded by Triassic gabbros and the Cretaceous Roop Lakes Stock. A contact metamorphic aureole extends up to 4 kilometres away from the Stock, impacting most units underlying the property.

Airborne magnetics were flown over the large area covered by the two claim groups in 2012. Magnetic patterns clearly showed the Roop Lake Stock and mafic plugs, the Stocks alteration halo and numerous N-S and NW lineations related to fracturing and folding patterns, which were possibly indicative of alteration and mineralization.

MLM completed soil sampling at various scales on the property in 2012, 2014, 2015 and 2016. It delineated several geochemical targets. The geochemistry and a follow-up SGH survey has indicated potential for Au bearing veins, copper of unknown provenance and for Keno Hill type Ag-Pb veins.

Two gold anomalies were outlined: (1) an irregular-shaped 700m long gold in soil anomaly with values up to 58ppb Au; and (2) a 350m long gold in soil anomaly with values to 24ppb Au. In addition, a 300m long Ag in soil anomaly with values to 45ppm Ag within a 1km + broader Ag soil anomaly was delineated. The projected mineralization appears to be related to N-S lineations and flexures to these lineations as defined by airborne magnetics.

In 2018, trenching is planned to test an Ag in soil anomaly associated with other more indistinctly defined Au in soil anomalies.

Edmonton Claim Group

The Edmonton claim group is composed of 95 contiguous quartz claims covering an area of 19.5 square kilometres near the eastern arm of Mayo Lake. Access is primarily by helicopter. The claim group is also accessible from Mayo Lake. It is bordered to the west by Edmonton Creek, a historically active placer creek. Other creeks that drain to the east are shown to have been placer mined in the past.

The surface cover at Edmonton is a mixture of colluvium and till. The youngest glaciation affecting Edmonton, was confined to the valley occupied by Mayo Lake. This valley was filled with westward fast-flowing ice that scoured its bottoms and sides. The highest part of uplands was probably covered by older cold-based glacial ice during an older glaciation, transport of rock and debris being minimal.

Edmonton is underlain by the Robert Service Thrust (RST), which is a broad structure containing a complex intermingling of Keno Hill Quartzites and Hyland Group metasediments intruded by competent gabbroic rocks. Local prominences on the plateau that Edmonton covers correspond to gabbro stocks. The thrust limit of the RST is mapped as a surface trace on Edmonton, when it is more likely a series of multiple sub-horizontal faults

Airborne magnetics was flown over the property in 2012. It delineated a large geophysical anomaly in the southern part of the claim group with one boundary that is marked by elevated gold in soil values. This anomaly is interpreted to be a buried stock or alteration zone of unknown provenance. The true extent and nature of gold in rock source has yet to be determined. Other magnetic lineations clearly showed faults and fractures that controlled mineralization.

In the future MLM plans to investigate the gold mineralization that appears related to the large geophysical anomaly on the property with bedrock interface sampling to refine drill targets.

Cascade Claim Group

The Cascade claim group is composed of 52 contiguous quartz claims covering an area of 10.5 square kilometres near Mayo Lake. Cascade covers a moderately sloping prominence overlooking a former producing placer creek draining into the Nelson Arm of Mayo Lake. The claim group is also accessible from Mayo Lake, which has a boat launch at its west end. An old road leading from the lake crosses the south part of Cascade.

The surface cover is a mixture of colluvium and till. Cascade has been subjected to multiple glaciations. The ice was probably cold-based due to the elevation of the upland, and transport of rock and debris was minimal.

The property is underlain by the Robert Service Thrust (RST), which is sub-horizontal, and underlies much of the property. It includes a complex intermingling of Hyland Group Metasediments intruded by

competent gabbroic rocks and amphibolite dykes. Geophysics flown in 2012 by MLM suggests that the surface trace of the RST is folded around the nose of the Mayo Lake Antiform on or adjacent to the property. This structurally complex zone has good potential to host mineralized structures. Reconnaissance sampling suggests the presence of a gold in soil anomaly, with the most anomalous sample yielding 2.25 g Au/t.

Definition sampling in 2017 has delineated five gold in soil anomalies. The anomalies are all open in at least one direction. Two anomalies have associated element anomalies suggesting a felsic intrusive or skarn-type provenance. The other Au anomalies have element associations suggesting intrusion related or orogenic-type provenances for the gold; two of them have strong As and Sb associations.

In 2018, MLM plans to reanalyze soil samples for Au by fire assay to confirm and possibly extend previous Au in soil anomalies defined by INAA and ICP-MS after acid digestion techniques because gold values may have been negated or muted where present by graphite within soils

In the future, more detailed soil sampling is warranted to define potential gold mineralization in areas where reconnaissance soil sampling and airborne magnetics indicate good potential for gold mineralization.

All technical information within this document has been reviewed and approved by Dr. Vern Rampton, P. Eng. in his capacity as a qualified person as defined under NI 43-101.

CORPORATE MANAGEMENT AND DIRECTORS

MLM's Senior Officers and Directors since Incorporation on September 7, 2011.

NAME	OFFICE HELD	DATE APPOINTED	DATE CEASED
Vern Rampton	President & CEO	September 7, 2011	N/A
John McNeice	Chief Financial Officer	September 7, 2011	March 14, 2017
Jeff Ackert	Vice-President, Exploration	September 7, 2011	June 29, 2017
Chris Irwin	Secretary	September 7, 2011	N/A
David Ewart	CFO	April 24, 2017	September 5, 2018
Tyrell Sutherland	Vice-President, Exploration	June 30, 2017	N/A

DIRECTOR	ELECTED	DATE CEASED
Vern Rampton	September 7, 2011	N/A
Jeff Ackert	September 7, 2011	N/A
Greg Leblanc	September 7, 2011	N/A
Lee Bowles	December 4, 2017	N/A

SELECTED ANNUAL INFORMATION

The following tables contain selected annual financial information for the fiscal years ended December 31, 2017, 2016, and 2015.

Revenue, expenses, losses, dividends for 2015, 2016, 2017.

	Year Ended 2017 in \$	Year Ended 2016 in \$	Year Ended 2015 in \$
Revenue	0	0	0
Total expenses	439,731	163,357	124,851
Other income	0	0	0
Net loss for year	439,731	163,357	124,851
Loss per share - diluted	0.012	0.006	0.004
Cash dividend per share	Nil	Nil	Nil

Total expenses increased in 2017 relative to 2016 and 2015, primarily because of increased activity in revitalizing the Company, including addressing property matters. This led to increased general and administrative expenses in 2017 (including contract management costs) of \$153,218 (2016 - \$45,386). In addition, there was an increase in investor relations and promotion in 2017 to \$43,386 (2016 - \$10,879). As a result of options granted to directors and officers, share based compensation of \$201,567 was recorded in 2017 (2016 - \$0).

OVERALL PERFORMANCE AND RESULTS OF EXPLORATION

Deferred Expenditures: Mining Properties and Exploration and Evaluation

Deferred Expenditures: mining properties (purchase, staking, and claim maintenance fees) and exploration and evaluation by MLM on its claim groups between acquisition in 2011 through December 31, 2017 was \$3,731,674 of which \$2,380,429 is attributable to mining properties and \$1,351,245 to exploration and evaluation.

Deferred Expenditures: September 1, 2011 through December 31, 2017.

Expenditure Period	Mineral Properties	Exploration and Evaluation
September 1 2011 — December 31, 2014	\$2,334,243	\$843,485
January 1 — December 31, 2015	\$8,024	\$129,745
January 1 — December 31, 2016	\$11,270	\$55,560
January 1 — December 31, 2017	\$26,893	\$322,456

Much of the mining property expenditures predating 2015 are related to the acquisition of the properties, whereas those covering January 1, 2015 through December 31, 2017 are related to renewal of claims.

Of the \$843,485 spent on exploration prior to 2015, \$382,958 was spent on airborne magnetics, \$269,615 was spent on soil geochemistry and \$186,689 was spent on geology (includes integration of other categories of exploration into the geology). Please refer to *Exploration Property Descriptions* for more details on the results of the completed exploration.

The variability in yearly exploration expenditures is largely related to the availability of funds to meet MLM's exploration objectives. These funds were primarily expended on exploring those areas having the highest potential for minerals in order to add value and maintain the claims in good standing.

Details of exploration and evaluation expenditures for 2017.

Work performed	Anderson- Davidson	Trail- Minto	Carlin- Roop	Edmonton	Cascade	Total
	\$	\$	\$	\$	\$	\$
Geology	13,424	3,679	5,084	423	423	23,032
Geochemical	31,949	2,999	15,704	5,006	11,459	67,117
Geophysics	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-
Trenching	-	-	-	-	-	-
Drilling	227,704	234	1,172	-	3,196	232,306
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Totals	273,078	6,912	21,959	5,428	15,078	322,456

Details of exploration and evaluation expenditures for 2016.

Work performed	Anderson- Davidson	Trail- Minto	Carlin- Roop	Edmonton	Cascade	Total
	\$	\$	\$	\$	\$	\$
Geology	-	7,500	7,500	-	-	15,000
Geochemical	6,616	18,369	13,895	1,680	-	40,560
Geophysics	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-
Trenching	-	-	-	-	-	-
Drilling	-	-	-	-	-	-
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Totals	6,616	25,869	21,395	1,680	0	55,560

Details of exploration and evaluation expenditures for 2015.

Work performed	Anderson- Davidson	Trail- Minto	Carlin- Roop	Edmonton	Cascade	Total
	\$	\$	\$	\$	\$	\$

MLM MD&A as of December 31, 2017

Geology	5,350	1,275	2,475	1,588	-	10,688
Geochemical	46,514	25,671	9,793	12,684	570	95,231
Geophysics	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-
Trenching	-	-	-	-	-	-
Drilling	8,162	3,871	7,755	4,037	-	23,825
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Totals	60,026	30,817	20,023	18,308	570	129,744

Anderson-Davidson

In 2017, a total of \$289,634 was spent on reverse circulation (RC) drilling and analysis, \$257,559 at its Anderson-Owl anomaly with the balance on geochemical soil surveys in order to refine drill targets on the Peak geochemical anomaly and extend the Anderson-Owl geochemical anomaly within the Anderson Gold Trend.

The drilling at Anderson- Owl defined a 50m+ long gold structure, open along strike. The best intersections in two holes were 0.77gAu/t over 6.1m, including 0.9 gAu/t over 3.1m, in one hole and 0.36gAu/t over 9.1m, including 0.55gAu/t over 6.1m, in a second hole, the grade and width of the structure was not completely identified because the mineralization was directly drilled into at the bedrock interface.

In 2016, a total of \$6,615 was spent on the analysis and interpretation of geochemical soil surveys.

Trail-Minto

In 2017, expenditures related to analysis, geological interpretation and integration of the previously identified gold zones totaled \$6,205. In 2016, a total of \$25,869 was spent on geochemical soil surveys, analysis, interpretation and geological integration. The 2016 program delineated gold anomalies paralleling the perceived edge of the Roaring Fork Stock.

Carlin-Roop

To date in 2017, \$18,120 has been spent on geochemical surveys to refine drill targets at Carlin-Roop. In 2016, a total of \$21,395 was spent on SGH and geochemical soil surveys, analysis, and geological interpretation.

In 2015, \$20,022 was spent on geochemical soil surveys, analyses and interpretation on both parts of this property. Potential mineralized zones, including gold, were confirmed and extended on both parts of the claim groups.

Edmonton.

In 2017, \$17,000 was spent on geochemical soil surveys and analyses to refine trenching and drill targets. In 2016, \$16,800 was spent on interpretation and integration of geochemical data. Gold anomalies, which were centered on a significant geophysical anomaly were confirmed and extended

Cascade

In 2017, \$11,221 was spent on a geochemical soil survey to refine a previously identified gold anomaly. In 2016, negligible funds were spent at Cascade.

Results of Operations

General and Administration Expenses**Annual general and administrative expenses: 2015, 2016 and 2017.**

Category	2017 (\$)	2016 (\$)	2015 (\$)	Increase (\$) (Decrease) 2017-2016	Increase (\$) (Decrease) 2016-2015
Investor relations and Promotion	43,386	10,879	5,581	32,507	5,298
Professional; legal, audit, accounting, regulatory	32,616	18,056	15,255	14,560	3,654
General and administrative	153,219	46,590	29,534	106,629	16,203
Project generation	-	11,393	-	(11,393)	11,393
Interests expense and bank charges	31,971	76,172	74,100	(44,201)	2,072
Share based payments	201,567	-	-	201,567	-
Other expenses	(23,028)	267	381	(23,295)	(114)
Total overhead expenses	439,731	163,357	124,851	276,374	38,506

The increase in net expenses between 2017 and 2015 in all the subcategories reflects the Company's increased costs to administer and manage its exploration and at the same time revitalize the Company in order to prepare for a public listing.

SUMMARY OF QUARTERLY FINANCIAL PERFORMANCE**Financial results on quarterly basis: Q1 2016 through Q4 2017.**

Category	2017	2017	2017	2017	2016	2016	2016	2016
	Q1 \$	Q2 \$	Q3 \$	Q4 \$	Q1 \$	Q2 \$	Q3 \$	Q4 \$
Revenue	0	0	0	0	0	0	0	0
Expenses:								
Investor relations and Promotion	5,195	6,253	15,884	16,054	481	788	2,231	7,379
Professional; legal, audit, accounting, regulatory	928	2,136	23,572	5,980	394	665	844	17,006
General and administrative	14,033	32,865	48,118	58,202	12,923	11,140	11,881	9,793
Property exploration and evaluation	(3,750)	-	-	3,750	-	-	11,393	-
Interests expense and bank	18,885	5,626	5,590	1,870	60	60	183	75,869
Share based compensation	56,000	-	-	145,567				
Other expenses	40	37	-	(23,105)	-	-	-	267
Total expenses	91,331	46,917	93,164	208,319	13,858	12,653	26,532	110,314
Net loss	91,331	46,917	93,164	208,319	13,858	12,653	26,532	110,314

The costs incurred under promotion and investor relations in 2016 and 2017 are due to the Company's efforts to engage individuals and funds in private placements to finance on-going costs, mainly exploration. General and administration expenses were higher for all quarters of 2017 relative to 2016 because of management's efforts to list on an exchange and the increased cost and time needed to complete exploration activities.

Interest costs show large variations between quarters due to the fact that they were accrued on an irregular basis. Other expenses include the cost incurred in participating in a property evaluation and exploration program with the Yukon government backed YMET program whereby the Company would receive a rebate on a portion of its exploration costs.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2017, the Company held cash of \$915 (December 31, 2016 - \$10,755; December 31, 2015 - \$1,524) and had a working capital deficiency of \$56,088 at December 31, 2017 (December 31, 2016 - \$841,676; December 31, 2015 - \$745,624)). Prior to 2017, due to a lack of sufficient equity financing, the Company financed most components of operating expenses, property costs and exploration costs through promissory notes. In 2017, thorough private placements of common shares, the Company was able to improve working capital and invest in mineral exploration and evaluation assets.

Financing Activity 2017

On January 5, 2017, the Company granted 1,600,000 options to buy common shares of the Company to certain officers and directors. Each option is convertible into one common share at a price of \$0.10 per share up to five years from the date of issuance.

On March 31, 2017, the Company issued 10,564,128 common shares valued at \$0.10 per share to settle debt with certain officers as well as arm's length parties for a total of \$1,056,413.

On, June 21, 2017, the Company granted 500,000 options to buy common shares of the Company to an officer. Each option is convertible into one common share at a price of \$0.10 per share up to five years from the date of issuance.

On August 25, 2017, the Company closed two separate private placements consisting of both regular common units (RC Units) at \$0.10 per RC Unit and flow through units (FT Units) at \$0.12 per FT Unit. The RC Unit offering raised a total of \$542,500, representing 5,425,000 RC Units. Each RC Unit is comprised of one common and one half of one Common Share purchase warrant. Each Warrant is exercisable into one Common Share at a price of \$0.15 per Common Share for a period of 2 years from the closing date of the Unit Offering. The FT Unit offering raised a total of \$294,048, representing 2,450,400 FT Units. Each FT Unit is comprised of one FT Share and one half of one Common Share purchase warrant. Each FT Warrant is exercisable into one Common Share at a price of \$0.15 per Common Share for a period of 2 years from the closing date of the FT Unit Offering. Each FT Share will be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (the "Tax Act").

Financing activity 2016 and 2015

In 2016 the Company issued a total of 1,429,008 common shares @ \$0.10 per share for a total of \$142,900 and did not conduct any financings in 2015.

OUTSTANDING SHARE DATA

	Oct. 26, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec.31, 2015
Common Shares	49,609,186	48,842,036	29,986,508	28,557,500

Warrants	6,261,775	5,490,700	0	0
Broker Unit Warrants	242,865	242,865	0	0
Options	2,100,000	2,100,000	0	0
RSU-DSU Awards	1,125,000	0	0	0
Fully Diluted	59,388,826	56,675,601	29,986,508	28,557,500

Warrants and Broker Unit Warrants October 30, 2018	Exercisable and Outstanding at Exercise Price	Expiry date
5,349,095	\$0.15	September 14, 2019
222,560	\$0.15	December 29, 2019
383,575	\$0.15	April 16, 2021
312,500	\$0.15	May 1, 2021
75,000	\$0.15	June 27, 2021
132,790	\$0.12	September 14, 2019
29,120	\$0.12	December 29, 2019

Options Exercisable and Outstanding at October 30, 2018	Exercise Price	Expiry date
1,600,000	\$0.10	January 6, 2020
500,000	\$0.10	June 20, 2020

SUBSEQUENT EVENTS

In late January, 2018, corporate counsel was requested to initiate the preparation of a non-offering prospectus and an application for a public listing on the Canadian Stock Exchange. A NI 43-101 Technical Report, as required for a going public transaction, was prepared in late 2017 on MLM's primary property of material interest, the Anderson Davidson Claim Group.

On March 2, 2018, the Board of Directors resolved to proceed with an IPO via an offering of subscription receipt units (the "Offering"), which were to be a combination of Common Share Units and Flow-through (FT) Units totaling a minimum of \$1,300,000 and a maximum of \$2,000,000. The minimum was subsequently revised to \$2,000,000 and the cap was removed. The Offering remains open.

- i) The Common Share Units are priced at \$0.10 per Unit. Each Unit will be comprised of one common share and one half of one common share purchase warrant. Each warrant shall be exercisable into one common share at a price of \$0.15 per share for a period of 2 years from the closing date of the offering.
- ii) The FT Units at a price of \$0.12 per Unit. Each FT unit will be comprised of one flow-through and one half of one common share purchase warrant. Each FT warrant shall be exercisable into one

common share at a price of \$0.15 per share for a period of 2 years from the closing date of the offering. Each FT share will be issued as a “flow-through” share within the meaning of the Income Tax Act (Canada).

On March 27, 2018, the Board passed a resolution authorizing the issuance of 1,025,000 Restricted and Deferred Share Units to certain officers and directors under the Company’s Restricted Share Unit and Deferred Share Unit Plan. The Units shall vest on the later of the day that is 6 months after the day upon which the Company’s shares begin trading on a recognized Canadian stock exchange or January 2, 2019. The Units were granted provisionally, in that that such trading must begin in 2018.

On April 16, 2018, the Company closed a private placement for 767,150 Units, each Unit consisting of one common share priced at \$0.10 per share and one half of a purchase warrant, each whole warrant is exercisable into one common share at \$0.15 per share for a period of 36 months.

On May 1, 2018, the Company closed an issuance of promissory notes totalling \$125,000, accruing interest at 12% per annum and a term of one year. Attached to the notes were a total of 312,500 common share purchase warrants. Each warrant is exercisable by the holder into one common share at \$0.15 per share for a period of 36 months from closing.

On June 27, 2018, the Company closed an issuance of promissory notes totaling \$30,000, accruing interest at 12% per annum, each with a term of one year. Attached to the notes were a total of 75,000 common share purchase warrants. Each warrant is exercisable by the holder into one common share at \$0.15 per share for a period of 36 months from closing.

On June 29, 2018, the board authorized the President and CEO to sign a binding term sheet between Sandstorm Gold Corp and the Company whereby Sandstorm agreed to subscribe for 6,750,000 Common Shares Sub-Receipt Units subject to the Company raising a minimum of \$2.0M in equity placements and meeting certain conditions standard to the industry (the “Agreement”). The Company will coincidentally provide Sandstorm with net smelter return royalties (NSR) ranging between 1.55% and 1.75% and the right to acquire a further 1% NSR at a fixed rate related to the price of gold on a sliding scale. In addition, Mayo Lake will reduce existing royalties to a third party by either 0.55% or 0.75% NSR as the case may be. Subject to certain conditions a definitive agreement was to be completed. The conditions were not met and the Agreement was terminated.

On June 30, 2018, the Company issued 100,000 Restricted Share Units to a certain party under the Company’s Restricted Share Unit and Deferred Share Unit Plan. The Units shall vest on the later of the day that is 6 months after the day upon which the Company’s shares begin trading on a recognized Canadian stock exchange or January 2, 2019. The Units were granted provisionally, in that that such trading must begin in 2018.

On October 10, 2018, the Board approved a private placement to raise up to \$900,000 consisting of (1) 3,000,000 units (Unit) at a price of \$0.10 per Unit. Each Unit will consist of one common share of the company and one common share purchase warrant. Each Warrant is to be exercisable into a Share for a period of three years from closing of the private placement; and (2) 5,000,000 FT Units at a price of \$0.12 per FT Unit. Each FT Unit will consist of a Share and one Warrant.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company's contractual commitments are limited to on-going contracts and fair value services, including those with related parties as detailed below. Royalty payments on its properties would only be due upon production being achieved at some time well into the future.

In order to keep its claims in good standing the Company must pay \$100 per claim to the Yukon government or, as is the Company's standard policy, complete exploration works on a property, inclusive of the claim, and then applying \$100 of unallotted exploration costs to that claim at a time prior to a claim losing its good standing with the Company. See *Property Details* as to when further work or payments are required on claims.

The Company entered into a financial services consulting agreement in April, 2017 with Ironstone Capital Corp. (ICC) to assist in obtaining a public listing together with enabling equity and/or debt financings. Upon the Company receiving the public listing, it is required to pay ICC a maximum of 3% of the value of the Company's outstanding shares prior to any completed financing transaction leading to the public listing plus 1% of its post transaction value. The first portion of the cash compensation (80 percent) is to be paid when the parties agree it is expected under reasonable circumstances that the transaction will be completed. In addition, ICC is paid \$2,500 every 45 days for the duration of the contract.

The Company pre-paid ICC \$198,000 (includes hst) on September 17, 2017 on the expected completion of a transaction leading to a public listing, as per the aforementioned contractual agreement. Subsequently, the third party to the proposed reverse takeover transaction unexpectedly withdrew from the transaction. As a result the Company and ICC agreed that the remaining \$59,400 (includes hst) due to ICC would be suspended and paid upon the fulfillment of the aforementioned contractual obligations. In addition, the parties agreed that the 1,840,000 Units that ICC's principle purchased at a price of \$184,000 during the Company's September private placement of Units would be escrowed and only released upon the fulfillment of the aforementioned contractual obligations of ICC.

RELATED PARTY TRANSACTIONS

The Company has contracts for management and geological services plus costs incurred in providing these services with its key management, namely officers, administrators and directors and companies controlled by management. Transactions are recorded at their fair value, which is the amount agreed amount upon between the parties to provide the services.

- The President's wholly-owned corporation provides, under separate contracts: (i) consulting fees related to management and geological services and (ii) provision of office and storage space in addition to secretarial, accounting and book-keeping services. The President's corporation fees for all services during 2017 were \$136,363 (2016 - \$38,254), of which consulting services comprised of \$82,025 (2016- \$29,437). At year end, the Company owed \$58,940 (2016 - \$650,372) to the President's corporation. During 2017, \$624,000 of the amounts owing was converted to common shares.
- The Vice President, Exploration's wholly-owned corporation, previously a proprietorship, provides geological and management services to the Company. Fees charged also include costs incurred which are reimbursable. The fees for 2017 were \$59,875 (2016 - \$19,000). At year end, the Company owed the corporation \$54,231 (2016 - \$129,278). During 2017, \$88,000 of amounts owing was converted to common shares.

MLM MD&A as of December 31, 2017

- An administrator provided investor relations, legal, professional and general management services for \$59,146 in 2017 (2016 - \$nil).
- A corporation controlled by a Director and former officer was owed at December 31, 2017, \$4,712 (2016 - \$43,312) for general consulting fees. These fees were incurred prior to 2016. During 2017, \$38,600 of the amount owing was converted to common shares.
- The Secretary's law firm provides legal and securities advice and services to the Company. During 2017 these services were \$4,973 (2016- \$116). On December 31, 2017, the Company owed \$10,900 (2016 - \$77,553) to a corporation controlled by the Secretary. The amount owing represents the remaining portion of a promissory note bearing interest at 12% per annum plus interest. During 2017, \$68,000 of the amount owing was converted to common shares.
- At December 31, 2017, the Company has a prepaid amount of \$198,000 (2016 - \$nil), which was paid to a corporation providing financial consulting services for completion of an expected transaction leading to a public listing. The expected transaction was terminated unexpectedly by a third party. ICC was paid separately \$7,500 (2016- nil) for its services. The controlling shareholder of ICC became a director of the Company in December of 2017.

Interest paid on the amounts due to related parties in 2017 totaled \$31,444 (2016 - \$75,794).

Key Management Compensation

Company Name	2017		2016	
	Fees	Options awarded and vested	Fees	Options awarded and vested
Rampton Resources Group President and CEO services	\$82,025	500,000 ¹ To President	\$29,437	–
Rampton Resources Group Office services. Accounting and rent	\$54,338	–	\$8,817	–
Sans Peur Exploration VP-Exploration services	\$59,875	500,000 ² To VP	\$19,000	–
7241054 Canada Corp CFO services	\$12,000	–	–	–
Administrator's Proprietorship Various management services	\$57,562	500,000 ¹ To Administrator	\$6,500	–
Ironstone Capital Financial services	\$7,500	–	–	–
Irwin Lowy LLP Secretary and legal services	\$4,973	–	\$116	–

¹ Options have been valued at \$0.93 by the Black Sholes valuation method

² Option have been valued at \$0.97 by the Black Sholes valuation method

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, demand notes payable and due to related parties. Details relating to financial instruments and risk management are disclosed in note 14 to the annual consolidated financial statements for the years ended December 31, 2017 and 2016.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the valuation of all liability and equity instruments including flow-through share premiums, warrants, compensation options and stock options; and, the ability of the Company to continue as a going concern. Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 4 to the annual consolidated financial statements for the years ended December 31, 2017 and 2016.

NEW ACCOUNTING STANDARDS

New and revised accounting standards

IAS 1 – Presentation of financial statements

In December 2014, the IASB issued amendments to clarify guidance in International Accounting Standard (IAS) 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments are effective for reporting periods beginning on or after January 1, 2016. Adoption of these IAS 1 amendments has not had any impact on the Company's financial statements.

IFRS 7 – Statement of cash flows

In 2016, IASB amended IAS 7, Statement of Cash Flows. The amendments require that the following changes in liabilities arising from financing activities are disclosed to the extent necessary: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and, (v) other changes. One way to fulfil the new disclosure requirement is to provide reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. The amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This amendment was mandatory for reporting periods beginning on or after January 1, 2017. The adoption of these IAS 7 amendments has not had an impact on the Company's financial statements.

IFRS 9 – Financial Instruments

The IASB published IFRS 9 in July 2014, effective for annual periods beginning on or after January 1, 2018. IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement, and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model, and a substantially reformed approach to hedge accounting. The Company has made an initial evaluation and does not anticipate any material effect upon adoption of this standard.

IFRS 15, Revenue from Contracts with Customers

The new standard is effective for annual periods beginning on or after January 1, 2018 and presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. The Company has made an initial evaluation of the impact of IFRS 15 on its financial statements and related disclosures. Presently the adoption has no effect because the Company has no revenue.

IFRS 16, Leases

The new standard replaces IAS 17, Leases is effective for annual periods beginning on or after January 1, 2019, though a company can choose to apply IFRS 16 before that date but only in conjunction with IFRS 15 Revenue from Contracts with Customers. The standard establishes the principles that an entity should use to determine the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). The Company is in the process of evaluating the effect of the standard on its financial statements and does not anticipate a material impact.

IFRS 2, Share based payments

The IASB issued an amendment clarifying how to account for certain types of share based payment transactions, including the accounting for the effects of vesting and nonvesting conditions on the measurement of cash-settled share based payments, accounting for share based payment transactions with a net settlement feature for withholding tax obligations, and accounting for modifications to the terms and conditions of a share based payment that changes the classification of the share based payment transaction from cash settled to equity settled. The IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The Company has evaluated the change in the standard and there is no material impact.

CORPORATE AND BUSINESS RISK

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of gold deposits. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Furthermore, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined. The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time which even a combination of careful evaluation, experience and knowledge of management may not eliminate risk. While the discovery of ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current business relationships or exploration programs of the Company will result in profitable commercial mining operations. The profitability of operations will be, in part, directly related to the cost and success of exploration programs on its properties which may be affected by a number of factors. Substantial expenditures are required to establish reserves sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Economic Risk

The prices of copper, gold, silver and other metals fluctuate. The future direction of the price of any metal or mineral will depend on numerous factors beyond the Company's control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of commodities, and therefore on the economic viability of the Company's properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of the commodities for which it explores.

Management; Dependence on Key Personnel, Contractors and Service Providers

Shareholders of the Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Industry Conditions

The exploration and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company or its joint venture partners will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as commodity prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Value of Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, 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 to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Title to Property

Although the Company has taken reasonable measures to ensure proper title to its properties mineral rights, there is no guarantee that the mineral rights to all of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Uninsured Hazards

The Company may not always be able or may choose not to obtain insurance for many of the risks that it faces. In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the Company's securities.

The Company is currently not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company may periodically evaluate the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance.

Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the available funds that the Company has and result in bankruptcy. Should the Company be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors or officers of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Political Risk

The Company's properties or business operations may be exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of governmental orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on foreign ownership, inability to obtain or delays in obtaining necessary exploration or mining permits, opposition to exploration and mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as bylaws and policies of Canada affecting foreign trade, investment and taxation.

Permits, Licences and Approvals

The operations of the Company may require licences and permits from various governmental authorities or permits from surface right landowners. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations.

Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its exploration activities, construct mines or other facilities and commence operations of any of their exploration properties.

In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Community Risks

In addition to mineral tenure and environmental permitting, the Company attempts to engage local communities where it explores. Communities may respond differently to exploration and mineral development activities from region to region. Increasingly the exploration sector is required to engage in social contracts with local residents, communities and surface land owners. Factors affecting social acceptance of exploration are variable and can be unpredictable over time. Local opinions can change rapidly about exploration activities and opinions may not be related to the activity of the Company although its ability to enter an area and conduct its programs may be affected by shifts in perception.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial, state and local laws and regulations relating to the protection of the environment.

These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

Mineral Price Fluctuations

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include, but are not limited to, demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

MLM MD&A as of December 31, 2017

Officers and Directors

Vern Rampton, P. Eng., Ph. D — Chief Executive Officer, President and Director

Tyrell Sutherland, M.Sc., P.Geo. — Vice-President, Exploration

Chris Irwin, BA, LL.B — Corporate Secretary

Jeffrey Ackert, BSc. — Independent Director

Gregory LeBlanc, B.A, M.A. — Independent Director

Lee Bowles —Independent Director

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Corporate Legal Counsel

Irwin Lowy LLP, Toronto, Canada

Corporate Banker

The Bank of Nova Scotia, Kanata (Ottawa), Canada