MANAGEMENT'S DISCUSSION AND ANALYSIS OF
MAPLE GOLD MINES LTD.
(An Exploration Stage Company)

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2019

Dated: November 21, 2019

HIGHLIGHTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND THE PERIOD UP TO NOVEMBER 21, 2019

Exploration highlights

- The Company reported its most recent resource estimate (see press release dated October 24, 2019). As per the 2019 estimate, Indicated Mineral Resources totalled 0.422 million ounces of gold (8.6 Mt @ 1.52 g/t Au) in addition to Inferred Mineral Resources totalling 2.352 million ounces of gold (71.2Mt @1.03 g/t Au).

- The Company received permits for drilling and commenced the 2019 winter drilling program on March 25, 2019 drilling 6,045 metres in 15 holes and concluding the winter drilling program on April 26, 2019.

- The Company initiated and completed a 40 line-km Induced Polarization ("IP") survey to the east and northeast of the 6km long resource area.

- The Company announced that it had created a new 3D geological and structural model for the Douay Gold Project, which establishes a new foundation for the geological resource update by Rosco Postle Associates Inc. ("RPA"), and which also allowed more precise positioning of drill-holes in future drilling campaigns.

Corporate highlights

- On April 8, 2019, the Company issued 568,182 common shares at a price of $0.11 per common share in settlement of certain outstanding obligations.

- On March 26, 2019 the Company completed a non-brokered flow through private placement for aggregate proceeds of $2,300,000 through the issuance of 18,400,000 common shares at a price of $0.125 per share.

- On February 20, 2019 the Company received $1.9 million from Revenu Quebec with respect to the Company's 2017 tax credit refund.

- On January 17, 2019 the Company granted 7,330,000 incentive stock options to certain directors, employees and consultants at an exercise price of $0.16 and a 5-year term.

Readers are cautioned that this Management Discussion and Analysis ("MD&A") contains "forward-looking statements" and that actual events may vary from management's expectations. Readers are encouraged to read the cautionary note below regarding such forward-looking statements.

1.1.1 Date

This MD&A of Maple Gold Mines Ltd. (the "Company" or "Maple Gold") has been prepared by management to assist the reader to assess material changes in the financial condition and results of operations of the Company as at September 30, 2019 and for the three and nine months then ended. This MD&A should be read in conjunction with the condensed interim financial statements of the Company and related notes thereto as at and for the three and nine months ended September 30, 2019 and 2018. The condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company's most recent audited annual financial statements for the year ended December 31, 2018, except as disclosed in Note 2(d) of the condensed interim financial statements. All financial information has been prepared in accordance with IFRS and all dollar amounts presented are Canadian dollars unless otherwise stated.

1.1.2 Forward-looking statements

This MD&A contains "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the

Company's opinions and beliefs, financial position, business strategy, budgets, Mineral Resource estimates, ongoing or future development and exploration opportunities and projects, drilling, re-logging, geochemical and geological modeling plans, data from sampling programs, references to potential higher grades, references to additional potential discoveries, targeting efforts in greenfield areas, assay results, expanded mineralized zones, ground surveys, publication of updated mineral resource estimates, classification of mineral resources, and plans and objectives of management for properties and operations.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "plan", "anticipate", "believe", "estimate", "expect", "is expected to", "budget", "schedule", "forecast", "intend" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information and upon a number of factors and assumptions that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including the price of gold, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, among others, the Company's ability to receive mining, exploration and other permits; the impact of increasing competition in the gold business; exploration and development costs for the Douay Gold Project; anticipated results of drilling campaigns; exploration and development activities; mineral resource estimates and metallurgical recoveries; availability of additional financing; and the Company's ability to obtain additional financing on satisfactory terms. Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include, but are not limited to, risks related to general economic conditions; actual results of current exploration activities and unanticipated reclamation expenses; fluctuations in prices of gold and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in Canada; as well as other factors discussed in the section entitled "General Development of Business - Risk Factors" in the Company's most recent annual information form available on SEDAR at www.sedar.com. Additional information relating to the Company and its operations is also available on SEDAR at www.sedar.com and on the Company's web site at www.maplegoldmines.com.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Maple Gold does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Readers should refer to the risks discussed in the Company's MD&A for the year ended December 31, 2018 and subsequent continuous disclosure filings with the Canadian Securities Administrators available at www.sedar.com.

1.2.1 Description of business

Maple Gold is an exploration company focused on the exploration of its sole mineral property, the Douay Gold Project located in Quebec.

The Company was incorporated under the Ontario Business Corporations Act on June 3, 2010 and was continued under the Canada Business Corporations Act by articles of continuance dated June 22, 2011. The Company is listed on the TSX Venture Exchange under the symbol MGM, on the OTCQB in the US under the symbol MGMLF and on the Frankfurt Stock Exchange, Germany under the symbol M3G. The registered office of the Company is 250 Place d'Youville, 2e etage, Montreal, Quebec, H2Y 2B6.

1.2.2 Douay Gold Project ("Douay")

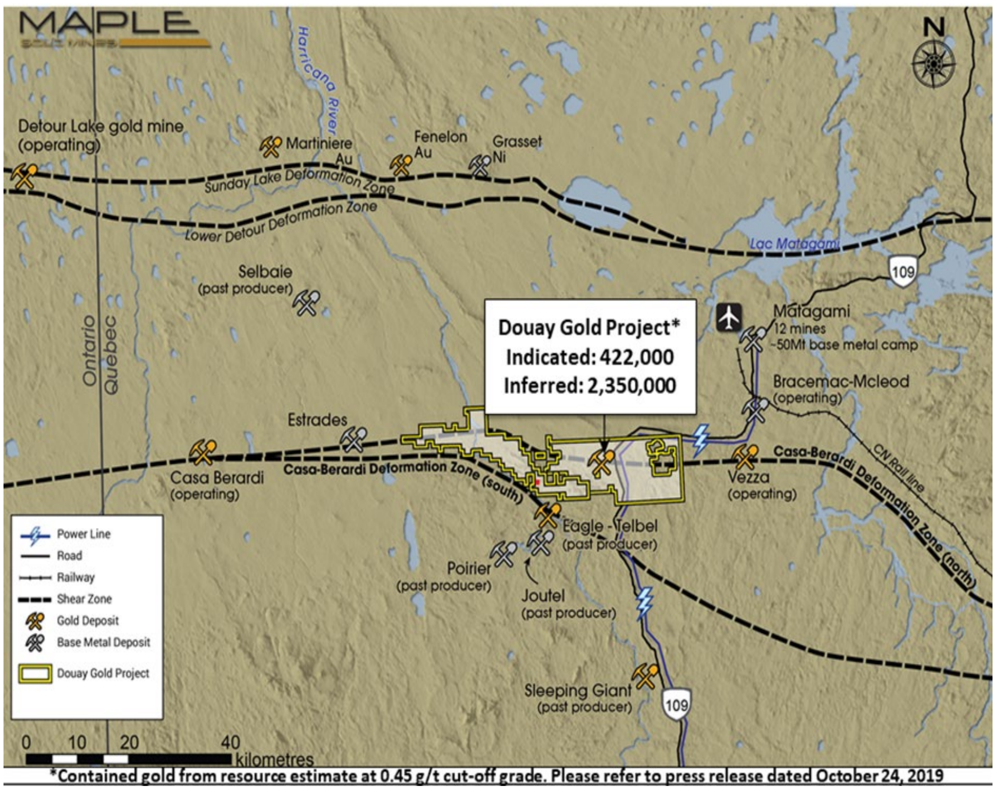

Figure 1 – Regional map showing the location of the Douay Project and past and current mineral operations.

Douay is located approximately 55 km southwest of Matagami and 130 km north of Amos, Quebec by road. It is accessible by an all season paved Provincial Highway (#109), which is the major North-South regional highway linking the towns of Amos (Val-d'Or region) and Matagami (James Bay region), and which cuts across the property. Utilities are available on site including hydro-electricity provided directly from Hydro-Quebec's power grid to the Company's on-site substation. Currently, there is a 75-person exploration camp on the property with drill core logging, sawing, sampling, storage and office facilities.

Douay currently consists of 666 claims covering approximately 355 km^2 along a 55 km segment of the Casa Berardi Deformation Zone ("CBDZ"), one of several metalliferous "breaks", in the Abitibi Belt of northern Quebec.

Ownership

The Company holds a 100% interest in 634 mostly contiguous claims totalling approximately 343 km^2 and a 75% interest (the remaining 25% interest is held by SOQUEM) in 32 contiguous claims totalling approximately 12 km^2. SOQUEM participated pro-rata in the 2019 drill program for the joint venture area.

There is a 1% NSR Royalty owned by Cambior Inc. (now controlled by IAMGOLD) which covers the Northwest and West Zone claims (not to be confused with the separate Douay West Zone), with 37 claims in total subject to the NSR.

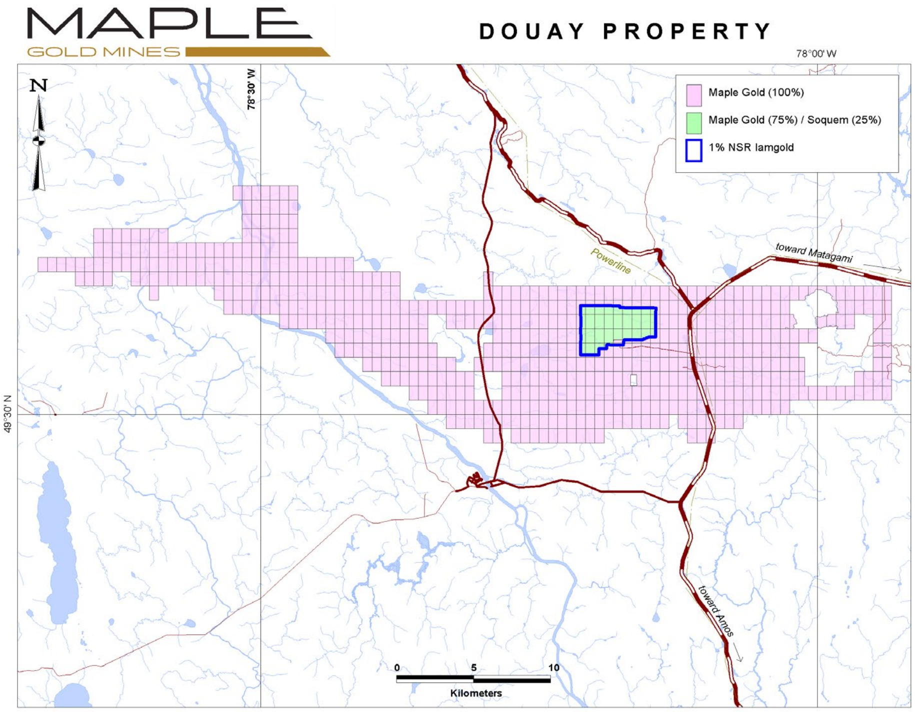

Figure 2 – Douay Project ownership map

Mineral Resources

Mineral Resources at Douay currently extend along a 6.1km corridor characterized by the presence of a large, alkalic intrusive-hydrothermal system emplaced into a sequence consisting predominantly of basalts, with lesser gabbroic and sedimentary and/or volcaniclastic and pyroclastic intervals. While the entire current resource averages just over 1 g/t Au, there are multiple areas of significantly higher grade gold mineralisation, both near surface and at moderate depths, typically hosted in pyritic mafic volcanic wallrocks and associated syenitic injections or dykes, but also within the intrusive complex itself. There is potential to discover additional higher grade gold mineralisation within and beyond this corridor, both along strike and down-plunge of known intercepts, as well as in new areas, as has been demonstrated at Nika and 531 Zones with the results of the 2018 and 2019 winter drilling programs.

On October 24, 2019, the Company reported its most recent resource estimate (see press release dated October 24, 2019). As per the Roscoe Postle Associates Inc. ("RPA") 2019 estimate, Indicated Mineral Resources totalled 0.422 million ounces of gold (8.6 Mt @ 1.52 g/t Au) in addition to Inferred Mineral Resources totalling 2.352 million ounces of gold (71.2Mt @1.03 g/t Au), both using a 0.45 g/t Au cut-off grade for open pit Mineral Resources and a 1.0 g/t Au cut-off grade for underground Mineral Resources.

Further information about key assumptions, parameters, and methods used to estimate the Mineral Resources, as well as legal, political, environmental or other risks that may affect the Mineral Resource estimate will be included in a NI 43-101 Technical Report to be filed on SEDAR within 45 days following the date of the October 24, 2019 news release.

The 2019 Mineral Resource estimate is listed in the table below:

Category	Tonnage (Mt)	Grade (Au g/t)	Contained Metal ('000 oz Au)
Pit Constrained Mineral Resources			
Indicated	8.6	1.52	422
Inferred	65.8	0.97	2,045
Underground Mineral Resources			
Inferred	5.4	1.75	307
Total Mineral Resources			
Indicated	8.6	1.52	422
Inferred	71.2	1.03	2,352

Notes:
1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported at an elevated cut-off grade of 0.45 g/t Au for open-pit Mineral Resources and a cut-off grade of 1.0 g/t Au for underground Mineral Resources.
3. The Whittle pit shell used to estimate Mineral Resources used a long-term gold price of US$1,500 per ounce, however the implied gold price for the Mineral Resources reported at the elevated cut-off grade would be significantly lower.
4. A US$/C$ exchange rate of 0.7, and a gold recovery of 90% were used.
5. A minimum mining width of 3 m was used.
6. Open pit resources are reported within a preliminary pit shell.
7. Bulk density is 2.71 t/m^3 or 2.82 t/m^3 depending on the zone.
8. Numbers may not add due to rounding.
9. Mineral Resources for Douay have been updated using data available to October 23, 2019.

Figure 3 - Pit Constrained and Underground Mineral Resource Estimate for the Douay project as of October 23, 2019 as prepared by RPA.

The new Mineral Resource estimate focus is not only on updating the resource estimate with new data from the 2018 and 2019 drill campaigns, but also on optimising the open pit scenario, while at the same time providing an initial assessment of what minimum resources in an eventual underground expansion may be. The latter has, in Management's opinion, a good potential for expansion given the relative scarcity of drilling below approximately 300m vertical.

The majority of the gold resources defined to-date at Douay are hosted near or within often porphyritic syenitic intrusions that have been emplaced within the broad CBDZ. This style of gold mineralisation belongs to a relatively recent defined class of intrusive-related gold ("IRGS") deposits in the Abitibi, which includes Malartic, Young-Davidson and Beattie. The largest zone within the Douay intrusive-hydrothermal system, is the Porphyry Zone, which represents a large prospective bulk mining target. Additional gold mineralisation at Douay, generally of higher grade and typically structurally-controlled, is also hosted by altered mafic volcanics with lesser syenitic injections, occurring in zones such as Douay West and 531 Zone (Figure 4). In addition, unrelated base metal (Cu, Zn) mineralisation possibly of volcanogenic massive sulphide ("VMS") type also occurs on the property.

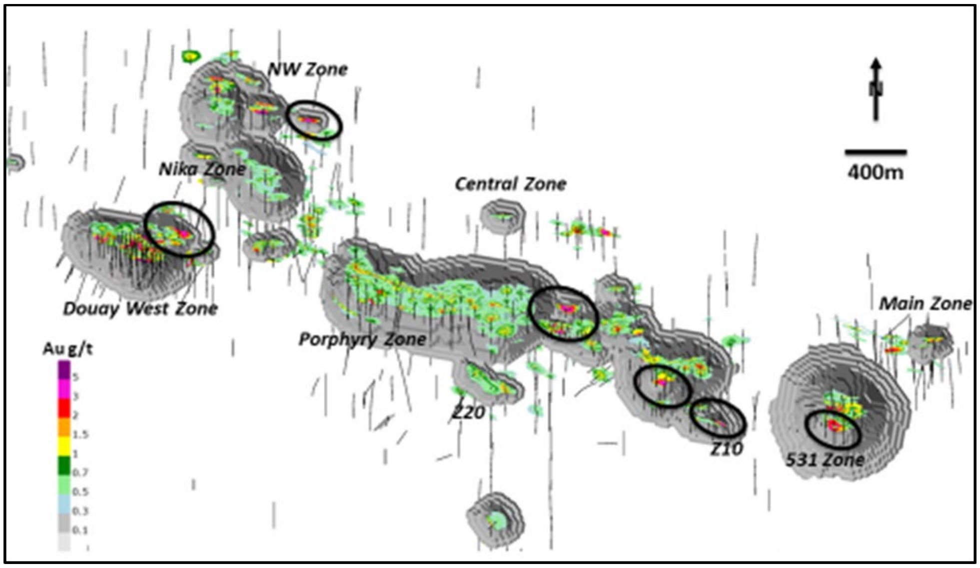

Figure 4: Base case for pit-constrained resources at 0.45 g/t Au cut-off grade. Note several higher grade areas with insufficient drilling outlined in black ellipses, and multiple drilling gaps between Zones.

Inferred underground Resources (Figure 5) are constrained to reporting shapes shown in green shading; a large volume of resource blocks were not included as there is insufficient drilling in many areas. RPA state that exploration potential within the vertical interval that is currently partly drilled could range between 0.5-1.0 Moz Au. Black ellipses in Figure 5 show further depth extension potential. The relatively low cut-off grade used for the underground resource is consistent with its inferred category; an eventual mining cut-off grade would be expected to be higher.

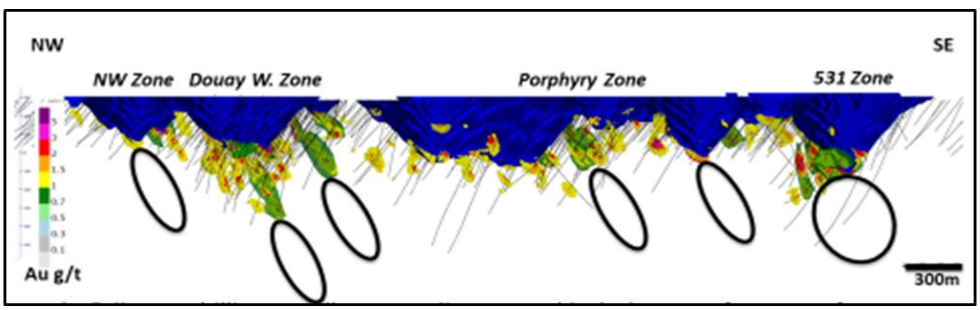

Figure 5: NW-SE longitudinal vertical section view (all zones) showing distribution of below-pit shell underground blocks above 1 g/t Au cut-off grade.

The Company continues to leverage both the brownfields and greenfield potential at Douay in all of its exploration programs. Thorough review and analysis of all existing geological, geochemical and geophysical data is continuing, which combined with generation of new data from re-logging, as well as from the winter 2019 drilling and geophysical programs, are being used to update a comprehensive exploration strategy and diamond drilling plan through to mid 2020.

2019 Programs

Exploration program at the Douay Gold Project

Following completion of the winter 2019 drill program, the Company reviewed and updated all datasets and provided the necessary data to RPA for the Company's Mineral Resource update (see October 24, 2019 press release). Given the results obtained from the first 531 Zone drill-hole (by the Company) completed in winter 2019 (see press release of June 5, 2019), detailed re-logging and re-interpretation of 531 zone structural trends has been completed, emphasizing the significance of sedimentary interflow horizons that serve as marker horizons. Additional drill targets were defined for the 531 Zone, with permitting for these holes ongoing. In addition, areas with near-surface higher than deposit average grades, and initial property-scale conceptual drill targets were defined (Figure 6). Permitting for these additional sites will be initiated shortly.

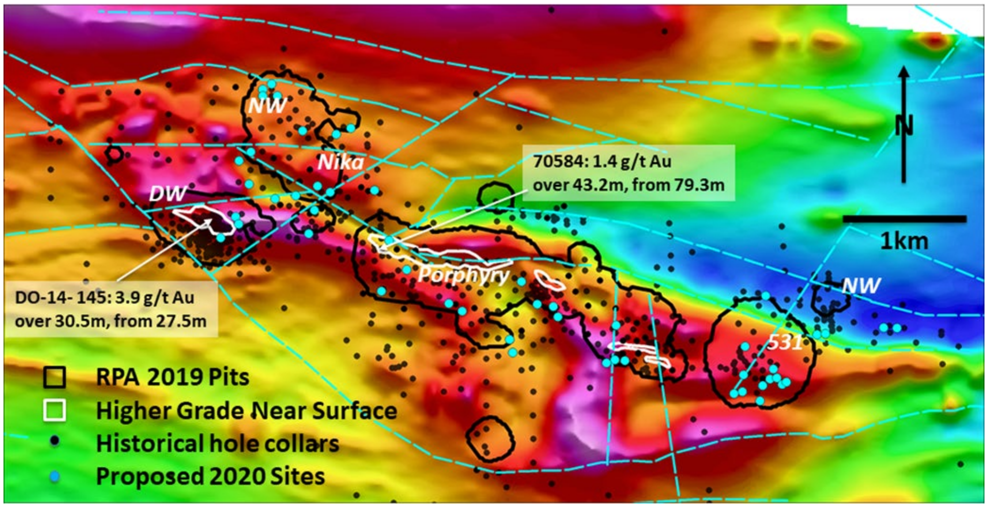

Figure 6 – Proposed winter 2020 drill sites for permitting (not all of these will be drilled). Higher grade near surface (<150m vertical depth) areas within RPA 2019 Whittle pits shown on residual total field magnetic image. Downhole depths given for drill intersections.

Geological Modelling

Historical and 2018 drill data were used to create a 3D geological model as well as updated cross and long sections and level plans. These products have allowed for more precise targeting during the winter 2019 drilling, a notable success being the results of DO-19-262 in the 531 Zone. This modelling work includes not only an updated 0.1 g/t Au wireframe, but also a higher grade 2 g/t Au wireframe within it, as well as structural and geological wireframes for elements that appear to be controlling the distribution of gold. The model continues to be updated, with additional lithological and structural information having been added recently. Results show a number of new high priority drill targets within and on the edge of the current resource zones, including gaps in drilling in high priority areas, extensions of known zones as well as peripheral mineralized zones that have not received much attention to date.

Geophysical Program

The Douay project is partly covered by airborne magnetic and EM as well as ground IP surveys, that provide a solid basis for interpretation of stratigraphic and structural trends, as well as the potential for detection of gold and base metal mineralization associated with conductive and magnetic features. IP technology has progressed significantly since the 1990s when most of the previous IP surveys were completed on the Douay property. Modern IP technologies allow much greater depth penetration than historical surveys were capable of. The recently closed Vezza gold mine is located approximately 10km to the east of the Douay property limits and the Company believes that the results of the 40 line-km winter 2019 IP survey east of the resource area, including an essentially undrilled 3.5km long chargeability anomaly, are permissive of Vezza-type gold targets. The significance of the anomalies defined can be placed in context, given the existence of several test lines performed in 2013 using the same methodology by the same company over part of the Porphyry Zone. With the Company's considerable land package we are dedicated to employing a discovery model on multiple fronts to build value for shareholders on a cost-effective basis and our geophysical program is part of this plan.

1.2.3 Overall program analysis

During the three and nine months ended September 30, 2019 and 2018, the Company incurred exploration and evaluation expenses as detailed in the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
	$	$	**$**	$
Camp set up, camp costs and field supplies	**51,956**	95,065	**211,820**	1,435,153
Depreciation	**59,780**	—	**179,340**	—
Drilling and core assaying	**10,123**	111,408	**754,876**	3,437,062
Equipment rental and fuel	**8,552**	46,035	**18,749**	231,511
Engineering	**—**	—	**—**	35,109
Environmental	**—**	—	**3,762**	8,667
Geology	**145,490**	18,620	**198,656**	163,091
Geophysics	**2,820**	—	**129,428**	—
Licences and permits	**17,147**	8,566	**27,164**	35,704
Other exploration support costs	**19,232**	23,810	**57,556**	113,927
Salaries and benefits	**119,886**	156,767	**560,249**	1,078,223
Share-based payments	**12,536**	(35,415)	**48,897**	18,240
	447,522	424,856	**2,190,497**	6,556,687
Recoveries from JV partner	**—**	(14,933)	**(34,687)**	(382,192)
Mineral exploration tax credits	**—**	—	**—**	(401,833)
	447,522	409,923	**2,155,810**	5,772,662
Opening accumulated expenses	**45,192,901**	44,508,338	**43,484,613**	39,145,599
Closing accumulated expenses	**45,640,423**	44,918,261	**45,640,423**	44,918,261

1.2.4 Qualified persons and technical disclosures

The scientific and technical data contained in this MD&A was reviewed and prepared under the supervision of Fred Speidel, M.Sc., P. Geo., Vice-President Exploration, of Maple Gold. Mr. Speidel is a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Speidel has verified the data related to the exploration information disclosed in this MD&A through his direct participation in the work.

The Mineral Resources disclosed in this MD&A have been estimated by Ms. Dorota El Rassi, P.Eng., an employee of RPA and independent of Maple Gold. By virtue of her education and relevant experience, Ms. El Rassi is a "Qualified Person" for the purpose of National Instrument 43-101. The Mineral Resources have been classified in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (May, 2014). Ms. El Rassi, P.Eng. has read and approved the contents of this MD&A as it pertains to the disclosed Mineral Resource estimates. Further information about key assumptions, parameters, and methods used to estimate the Mineral Resources, as well as legal, political, environmental or other risks that may affect the Mineral Resource estimate will be included in a NI 43-101 Technical Report to be filed on SEDAR within 45 days following the date of this news release.

Cautionary Note to United States Investors concerning Estimates of Measured, Indicated and Inferred Resource Estimates

This disclosure has been prepared in accordance with the requirements of Canadian provincial securities laws which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all Mineral Resource estimates included in this disclosure have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum classification systems. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC"), and resource estimates disclosed may not be comparable to similar information disclosed by U.S. companies.

In addition, this disclosure uses the terms "measured and indicated resources" and "inferred resources" to comply with the reporting standards in Canada. The Company advises United States investors that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. United States investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the "inferred resources" exist. In accordance with Canadian securities laws, estimates of "inferred resources" cannot form the basis of feasibility or other economic studies. It cannot be assumed that all or any part of "measured and indicated resources" or "inferred resources" will ever be upgraded to a higher category or are economically or legally mineable. In addition, disclosure of "contained ounces" is permitted disclosure under Canadian securities laws; however, the SEC only permits issuers to report mineralization as in place tonnage and grade without reference to unit measures.

1.3 Selected annual information

Not required for an interim MD&A.

1.4 Results of operations

Three months ended September 30, 2019 and 2018

During the three months ended September 30, 2019, the Company reported a loss for the period of $676,748 and loss per share of $0.00 compared to a loss for the period of $765,230 and loss per share of $0.00, respectively, for the three months ended September 30, 2018. The $88,482 decrease in loss for the period is driven by a $37,599 increase in exploration and evaluation expenses (see section 1.2.3), $166,518 decrease in general and administrative expenses and $51,907 decrease in amortization of the flow through liability premium.

Exploration and evaluation expenses before JV partner recoveries and METC increased by $22,666 during the three months ended September 30, 2019 compared to the same period in the previous year. The level of exploration activity for the current period was consistent with the prior year. In the three month period ended September 30, 2018 the Company incurred assaying costs related to the 2018 winter drill program whereas in the three month period ended September 30, 2019 the Company incurred higher geology and technical report costs associated with the updated resource estimate that was announced on October 24, 2019. Depreciation is higher during the three months ended September 30, 2019 following the adoption of IFRS 16, Leases ("IFRS 16"), as of January 1, 2019, which resulted in the recognition of right-of-use assets (ROU Assets) with respect to lease contracts that the Company had previously treated as operating leases. The Company's 75-man camp and vehicles used on site are now recorded as ROU Assets and depreciated over the remaining expected life of the respective leases. Monthly payments for these items are now recorded through the lease liabilities line items on the statement of financial position.

General and administrative expenditures decreased by $166,518 during the three months ended September 30, 2019 compared to the same period in the previous year. The main drivers of this decrease were the decreases in travel, marketing and investor relations of $65,859, office and general of $46,940, directors fees of $40,072 offset with increases in regulatory transfer agent and shareholder information of $16,707, business development costs of $11,221, salaries and benefits of $11,166 and professional fees of $10,557. Management has implemented cost reduction programs that has had a direct impact on these reductions. Office and general for the current period is also lower following the adoption of IFRS 16, whereby payments for leases are now recorded through the lease liabilities line items on the statement of financial position.

During the three months ended September 30, 2019, the Company granted nil stock options to directors, officers, employees and others (2018 – nil). Share-based compensation expense decreased by $36,790 during the three months ended September 30, 2019 compared to the prior year period. During the period 1,455,834 stock options were cancelled and a stock based compensation expense reversal of $141,231 relating to the cancellation of 1,455,834 unvested stock options was recorded. There was a $118,677 reversal of stock based compensation expense recorded during the three months ended September 30, 2018 in related to the cancellation of 1,941,250 unvested stock options. Share based compensation expense for the comparative period was also higher due to the amortization of option grants with higher fair values that were granted during the year ended December 31, 2017.

During the three months ended September 30, 2019, the Company recorded other income of $52,661 related to the amortization of the flow-through share premium liability of $460,000 recognized in connection with the Company's March 2019 private placement (see section 1.6/1.7).

Nine months ended September 30, 2019 and 2018

During the nine months ended September 30, 2019, the Company reported a loss for the period of $3,380,724 and loss per share of $0.02 compared to a loss for the period of $6,867,294 and loss per share of $0.03, respectively, for the nine months ended September 30, 2018. The $3,486,570 decrease in loss for the period is driven by a $3,616,852 decrease in exploration and evaluation expenses (see section 1.2.3), $1,272,267 decrease in general and administrative expenses and $1,333,326 decrease in amortization of the flow through liability premium.

Exploration and evaluation expenses before JV partner recoveries and METC decreased by $4,366,190 during the nine months ended September 30, 2019 compared to the same period in the previous year. The Company completed its 2019 winter drilling program of 6,045 metres in Q2 2019 compared with its 2018 winter drilling program of 22,593 metres. As a result of the reduced level of exploration activities in the current quarter exploration expenses are lower across almost every category of exploration and evaluation expenses. Camp costs were higher in the nine months ended September 30, 2018 as the Company completed the installation of a new 75-man camp that had started in December 2017. Depreciation is higher during the nine months ended September 30, 2019 following the adoption of IFRS 16, Leases ("IFRS 16"), as of January 1, 2019, which resulted in the recognition of ROU Assets with respect to lease contracts that the Company had previously treated as operating leases. The Company's 75-man camp and vehicles used on site are now recorded as ROU Assets and depreciated over the remaining expected life of the respective leases. Monthly payments for these items are now recorded through the lease liabilities line items on the statement of financial position.

General and administrative expenditures decreased by $1,272,267 during the nine months ended September 30, 2019 compared to the same period in the previous year. The main drivers of this decrease were the decreases in travel, marketing and investor relations of $319,082, salaries and benefits of $292,495, office and general of $279,044, business development costs of $84,882, regulatory transfer agent and shareholder information of $67,159, and professional fees of $30,213. Management has implemented cost reduction programs that has had a direct impact on these reductions. Office and general for the current period is also lower following the adoption of IFRS 16, whereby payments for leases are now recorded through the lease liabilities line items on the statement of financial position.

During the nine months ended September 30, 2019, the Company granted 7,330,000 stock options to directors, officers, employees and others versus 450,000 in the same period of the previous year. Share-based compensation expense decreased by $148,932 during the nine months ended September 30, 2019 compared to the prior year period. During the current period 4,015,834 stock options were cancelled and a stock based compensation expense reversal of $197,761 relating to the cancellation of 2,116,667 unvested stock options was recorded. Share based compensation expense for the comparative period was high due to the amortization of option grants with higher fair values that were granted during the year ended December 31, 2017. The weighted average grant date fair value of options granted in the nine months ended September 30, 2019 was $0.06 (2018 - $0.15).

During the nine months ended September 30, 2019, the Company recorded other income of $345,364 related to the amortization of the flow-through share premium liability, of which:

- $254,750 related to the full amortization of the flow-through share premium liability of $583,331 recognized in connection with the Company's June 2018 private placement, and
- $90,614 related to the amortization of the flow-through share premium liability of $460,000 recognized in connection with the Company's March 2019 private placement (see section 1.6/1.7).

1.5 Summary of quarterly results

	September 30 2019	June 30 2019	March 31 2019	December 31 2018	September 30 2018	June 30 2018	March 31 2018	December 31 2017
Exploration and evaluation	$ 447,522	$ 1,045,989	$ 662,299	-$ 1,433,648	$ 409,923	$ 1,364,184	$ 3,998,555	$ 2,158,728
General and administrative	315,540	511,491	710,535	364,829	482,058	1,179,679	1,148,096	1,536,123
Finance (income) and other (income)	(88,335)	(60,984)	(74,272)	(38,235)	(23,175)	(15,804)	(18,830)	(16,570)
Finance expense	54,682	92,627	108,994	46,997	992	4,039	939	1,136
Amortization of flow-through share premium	(52,661)	(191,723)	(100,980)	(125,325)	(104,568)	(98,688)	(1,475,434)	(395,415)
Loss on disposition of property and equipment	-	-	-	-	-	-	15,328	-
(Income) loss for the period	676,748	1,397,400	1,306,576	(1,185,382)	765,230	2,433,410	3,668,654	3,284,002
Other comprehensive (income) loss	-	-	-	-	-	-	-	-
Total comprehensive (income) loss	$ 676,748	$ 1,397,400	$ 1,306,576	-$ 1,185,382	$ 765,230	$ 2,433,410	$ 3,668,654	$ 3,284,002
Basic and diluted (income) loss per common share	$ 0.00	$ 0.01	$ 0.01	-$ 0.01	$ 0.00	$ 0.01	$ 0.02	$ 0.02
Weighted average number of common shares	227,436,954	227,406,075	210,837,610	208,468,772	208,468,772	200,801,670	182,975,267	181,689,784

The changes in the Company's financial results on a quarter-by-quarter basis are due primarily to fluctuations in the level of activity of Company's exploration programs and administration. The Company is a mineral exploration company and does not earn any revenue. The Company's current mineral property portfolio consists of the Douay exploration-stage project in Quebec, Canada.

1.6 and 1.7 Financial position, liquidity and capital resources

	September 30, 2019	December 31, 2018
Cash and cash equivalents	$ 3,569,369	$ 2,786,340
Current assets	4,468,828	5,174,363
Total assets	5,795,030	5,367,688
Current liabilities	2,281,768	1,603,721
Non-current liabilities	958,439	177,898

As at September 30, 2019, the Company had cash and cash equivalents of $3,569,369 (December 31, 2018 - $2,786,340) and working capital of $2,187,060 (December 31, 2018 - $3,570,642). Current liabilities that are to be settled in cash as at September 30, 2019 include accounts payable and accrued liabilities of $898,026, which were primarily incurred in connection with the work program at Douay and general and administrative costs.

During the year ended December 31, 2018, Revenu Quebec completed its audit of the Company's 2017 METC filings. The 2017 METC filing was audited in advance of any payment being made by Revenu Quebec. As at December 31, 2018 the Company recorded a receivable of $1,919,456 with respect to the 2017 METC filing which was received, in full, during the three months ended March 31, 2019.

The Company has received METC payments from Revenu Quebec with respect to the 2011 to 2014 tax years and these tax years are currently under audit by Revenu Quebec. Revenu Quebec has disallowed certain amounts that the Company believes are claimable qualifying expenditures. The Company intends to defend its filing positions and the Company has filed notice of objections with Revenu Quebec's Appeals Division for each of the years 2011 to 2014.

The 2018 METC claim is approximately $400,000. In September 2019, Revenu Quebec commenced an audit of this METC claim. The Company anticipates receiving the 2018 METC after completion of the audit in 2019.

During the three and nine months ended September 30, 2019, the Company used net cash of $360,111 and $1,106,125 in operating activities compared to $1,451,680 and $9,735,067 during the comparative periods of the prior year.

The Company used net cash of $15,046 in investing activities during the three and nine months ended September 30, 2019 on property and equipment additions compared to $nil and $31,269 on property and equipment additions during the comparative periods of the prior year.

During the three and nine months ended September 30, 2019, the Company used cash and generated net proceeds of $92,658 and $1,904,200, from financing activities (2018 - $nil and $6,289,358) through the issuance of shares pursuant to a private placement of $2,276,536 (2018 - $6,058,750), the repayment of lease liabilities of $153,045 and $657,543 (2018 - $nil and $nil), and the receipt of sublease receivables of $60,387 and $285,207 (2018 - $nil and $nil).

On March 26, 2019, the Company announced the closing of a non-brokered flow through private placement of 18,400,000 common shares at a price of $0.125 per common share for gross proceeds of $2,300,000. The Company will use the gross proceeds for eligible expenditures on the Douay Gold Project.

On April 8, 2019, the Company issued 568,182 common shares at a price of $0.11 per common share in settlement of certain outstanding obligations.

On November 15, 2019, 42,015,222 share purchase warrants expired unexercised.

The Company seeks to reduce or eliminate costs wherever possible. Costs are reviewed on a quarterly basis, taking into account the Company's business objectives, available cash and funding opportunities in the market. The Company has sufficient funds to maintain current levels of activity through to the end of 2019.

Subsequent to September 30, 2019, the Company entered into a lease surrender agreement with respect to its Toronto office. The landlord has agreed, at no penalty to the Company, to terminate the Toronto office lease agreement, and transfer the portion of the Toronto lease that was subject to a sublease agreement directly to the landlord, effective November 2019. The Toronto office lease had an expiry date of August 30, 2022. As at September 30, 2019 the Company had recorded sublease receivables of $652,956, ROU Assets of $202,697 and lease liabilities of $871,689 with respect to the Toronto office lease. These balances will be unwound with any difference recorded in the statement of loss and comprehensive loss. As at September 30, 2019, the monthly gross rent for the Toronto office was $34,006.

The Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position and ability to pursue additional sources of financing, including equity placements. However, the Company currently has no source of operating cash flow, and has no assurance that additional funding will be available to it for additional exploration programs at its property, or to enable the Company to fulfill its obligations under any applicable agreements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore its property and, ultimately, to achieve profitable operations. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration of the Company's property and the possible loss of title to such property. As such, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Common shares issued

March 2019 Private Placement

As noted previously the Company closed a private placement during the nine months ended September 30, 2019.

	Number of common shares	$
Private placement – flow through shares	18,400,000	2,300,000
Share issuance costs	-	(23,464)
Subtotal	18,400,000	2,276,536
Flow-through share premium liability	-	(460,000)
	18,400,000	1,816,536

The intended use of the gross proceeds of $2,300,000 is towards eligible exploration expenditures at the Douay Gold Project. As at September 30, 2019 the Company had incurred approximately $453,064 of eligible exploration expenditures.

April and June 2018 Private Placements

	Number of common shares	$
Private placement – common shares	16,458,334	3,950,000
Private placement – flow through shares	8,333,300	2,499,990
Share issuance costs	-	(391,240)
Subtotal	24,791,634	6,058,750
Valuation of warrants issued	-	(13,457)
Flow-through share premium liability	-	(583,331)
	24,791,634	5,461,962

The fair value of the 399,998 warrants was estimated using the Black-Scholes option pricing model to be $13,457. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 69% which is based on historical volatility; estimated risk-free interest rate – 1.88%; and an expected average life of 1.5 years.

The intended use of the net proceeds of $6,058,750 is $558,760 towards general working capital and $5,499,990 towards eligible exploration expenditures at the Douay Gold Project. As at September 30, 2019 the Company had incurred $558,760 of general working capital expenditure and $5,499,990 of eligible exploration expenditures, including $2,499,990 related to flow-through expenditures.

1.8 Off-balance sheet arrangements

As at September 30, 2019, the Company had no off-balance sheet arrangements.

1.9 Transactions with related parties

During the three and nine month periods ended September 30, 2019 and 2018, compensation to key management personnel was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
	$	$	**$**	$
Salaries and benefits	**100,500**	85,250	**331,500**	366,750
Share-based payments	**(72,931)**	95,978	**202,582**	408,947
	27,569	181,228	**534,082**	775,697

1.10 Fourth Quarter
Not applicable.

1.11 Subsequent events
Refer to section 1.6/1.7.

1.12 Proposed transactions
None

1.13 Critical accounting estimates
The required disclosure is provided in Note 2 in the notes to the interim financial statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.14 Changes in accounting policies including initial adoption
The required disclosure is provided in Note 2 in the notes to the interim financial statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.15 Financial instruments and other instruments
As at September 30, 2019, the Company's financial instruments consist of cash and cash equivalents, deposits and accounts payables and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term to maturity. The Company's financial instruments are exposed to certain financial risks including, credit risk, currency risks, liquidity risk, interest rate risk and capital risk management. Details of each risk are laid out in the notes to the Company's annual audited financial statements. Management has determined that these risks, individually and in aggregate, are immaterial to the Company.

1.16 Other requirements
Additional information relating to the Company may be found on SEDAR at www.sedar.com.

1.16.1 Capital structure
As at the date of this report, the Company had 227,436,954 common shares issued and outstanding, 13,559,166 common shares issuable under stock options and 31,434,148 common shares issuable under share purchase warrants. The fully diluted outstanding share count is 272,430,268.

1.16.2 Internal controls over financial reporting and disclosure controls and procedures
The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and that required information is gathered and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.