



MARITIME RESOURCES

MARITIME RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three month periods ended March 31, 2019 and 2018

(Expressed in Canadian dollars)



This Management's Discussion and Analysis ("MD&A") of Maritime Resources Corp. ("Maritime" or the "Company") is dated May 29, 2019 and provides an analysis of our interim financial results for the three month periods ended March 31, 2019 and 2018. This MD&A should be read in conjunction with Maritime's condensed interim financial statements and notes thereto for the three month periods ended March 31, 2019 and 2018 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), available on www.sedar.com. This MD&A contains forward-looking statements that are based on management's current expectations, are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to Maritime's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in forward-looking statements (please see "Cautionary Note Regarding Forward-Looking Information" below). The Company's common shares trade on the Toronto Venture Stock Exchange (the "TSX-V") under the stock trading symbol MAE. Additional information relevant to the Company's activities, including the Company's audited financial statements, can be found at www.sedar.com or the Company's website at www.maritimeresources.com.

Maritime is a Canadian-based junior gold and base metals exploration company focused on re-starting the past producing Hammerdown gold mine, located near the Baie Verte Mining District and Springdale in Newfoundland and Labrador as well as exploration on its other properties in the region. Maritime holds a 100% interest in the Green Bay Property, which hosts the former Hammerdown gold mine including resource estimates on two gold deposits, the Hammerdown and the Orion deposits, separated by a 1.5 kilometre distance.

Q1 2019 AND RECENT HIGHLIGHTS

- On May 22, 2019, announced positive metallurgical test results using ore sorting technology for Hammerdown project where the Company realized 40% rejection and 97% gold recovery on a metallurgical sample from the open pit.
- In April 2019, completed a non-brokered private placement for aggregate gross proceeds of \$6,092,500, considered sufficient to carry out Maritime's 2019 plan (see 2019 Outlook section below).
- The 2019 infill diamond drilling continued at the Hammerdown mine site; approximately 3,000 metres of drilling is planned in 19 drill holes.
- Announced high-grade results from its inaugural 650 metre drilling program at the Whisker Valley gold exploration project which commenced in late 2018.
- Entered into an option agreement that extends the Hammerdown, Green Bay Property by over 3,225 hectares.
- In February 2019, announced the appointment Mr. Garett Macdonald as President and Chief Executive Officer, Ms. Germaine Coombs as Chief Financial Officer and Ms. Lorna MacGillivray as Corporate Secretary.

2019 OUTLOOK

Re-starting the Hammerdown Gold Mine

2019 is a critical year for Maritime as it will focus its efforts to advance the Hammerdown gold project towards a production decision. During the first half of 2019, Maritime will investigate the potential for a lower capital, higher margin and higher return project design at Hammerdown that will include a greater emphasis on selective open pit mining followed by underground mining. Management anticipates that the capital costs for such a project could be kept to a minimum and that the starter pit approach would allow for quicker access to the near vertical, high-grade veins. The key to success for this approach is developing a detailed mine production schedule and completing further investigations and trade-off analyses for milling at Nugget Pond or a stand-alone process plant at Hammerdown.

Maritime continues to progress its environmental baseline studies and accelerate its engagement with the local community and regulatory agencies to support the planned feasibility study and project permitting during 2019. The final footprint of the proposed mine will be determined through various engineering studies and will endeavour to minimize all environmental impact using industry best practices.



2019 Exploration Plans

Throughout 2019, exploration spending on Maritime's projects will focus primarily on areas within the Hammerdown & Rumbullion deposits that can add value to an engineered mine plan. Maritime will target high margin areas with an infill drilling program designed to convert inferred resources into the higher confidence measured and indicated mineral categories that can be used later in a feasibility study. The Company will also focus exploration efforts on "near-deposit" targets such as the Hammerdown Offset and the Rumbullion East vein systems to grow the existing resource base.

Outside of the main Hammerdown/Rumbullion deposit areas Maritime will continue with its exploration work at the new Whisker Valley project.

OVERVIEW

The Company is a gold and base metals exploration company with a focus on Canadian mining opportunities with advanced exploration assets in Newfoundland and Labrador, Canada. Maritime holds a 100% interest in the Green Bay Property, including the former Hammerdown gold mine, located near the Baie Verte Mining District and Springdale, Newfoundland and Labrador. Maritime also has a number of highly prospective gold exploration projects including the Green Bay, Whisker Valley and Gull Ridge properties, strategically located on the Baie Verte and Springdale Peninsulas; a prolific gold and base metals mining district.

Hammerdown contains measured and indicated mineral resources of 925,670 tonnes grading 10.6 grams per tonne ("gpt") for 315,535 ounces of gold and inferred mineral resources of 1,557,000 tonnes grading 7.53 gpt for 377,000 ounces of gold. The Orion deposit contains measured and indicated mineral resources of 1,096,500 tonnes grading 4.47 gpt for 157,600 ounces of gold and inferred mineral resources of 1,288,000 tonnes grading 5.44 gpt for 225,300 ounces.

CIM definition standards were followed for the mineral resource estimate. The mineral resource models used Ordinary Kriging grade estimation within a three-dimensional block model with mineralized zones defined by wireframed solids. A cut-off grade of 3.0 gpt gold ("Au") over 1.2 metres was used for reporting mineral resources with capping of gold grades at 125 gpt Au at Hammerdown and 50 gpt Au at Orion. A specific gravity of 2.84 was applied. For additional information relating to the Hammerdown gold project, including the Orion deposit, refer to the NI 43-101 technical report entitled "Pre-Feasibility Study Technical Report, Green Bay Property" with an effective date of March 2, 2017, which is available on the Company's profile at www.sedar.com.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

Exploration activities are administered on site by the Company's Project Manager, NL Properties, Larry Pilgrim, P.Geo. In accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects, B. H. Kahlert, P.Eng. Vice President Exploration, is the Qualified Person for the Company and has prepared, validated and approved the technical and scientific content of this MD&A. The Company strictly adheres to CIM Best Practices Guidelines in conducting, documenting, and reporting its exploration activities on its exploration projects.

The Hammerdown gold deposit was successfully mined by Richmond Mines between 2000 and 2004 when gold prices averaged US\$325/oz. During its operation, a total of 291,400 tonnes of ore were extracted, at an average grade of 15.83 gpt Au, recovering a total of 143,000 ounces of gold at an 8 gpt cut-off. All of the ore was processed at the Nugget Pond mill, now owned and operated by Rambler Metals and Mining Canada Limited, with an average gold



recovery of 97.1%. Mining terminated in 2004 due to low gold prices with extensive gold mineralization remaining, although uneconomic at that time. The Orion gold deposit consists of two main vein systems, both of which are exposed on surface and open along strike, and down plunge to the northeast.

The Company also has entered into four option to purchase agreements for projects within 10 kilometres of its Hammerdown project (see Exploration section below).

The Whisker Valley properties are earlier stage exploration targets that have returned excellent results from the first phase trenching and geophysical programs carried out in late 2017 and the first two quarters of 2018. During the fourth quarter of 2018, the Company completed a first stage drill program of approximately 650 metres to follow up on the success of the early stage programs.

On April 12, 2019, the Company announced that it closed a non-brokered private placement raising aggregate gross proceeds of \$6,092,500 through the issuance of a combination of units (the "Units") at a price of \$0.10 per Unit and flow-through units (the "FT Units") at a price of \$0.12 per FT Unit (the "Offering"). The Company issued a total of 56,896,662 Units and FT Units; 36,755,000 Units and 20,141,662 FT Units. Each unit consists of one common share and one-half (1/2) of one transferable common share purchase warrant that entitles the holder to acquire one common share of the Company at a price of \$0.15 per common share for a period of 24 months following the closing date of the Offering. The Company has agreed to pay aggregate finders' and advisory fees of 7% in cash or units of the gross sales of Units and FT Units and issued 7% finders' warrants of the number of Units and FT Units sold by certain brokers in the Offering. The finders' and advisory fees amounted to an aggregate of \$412,909 and 3,863,294 finders' warrants, including \$156,532 and 1,563,273 finders' warrants to Dundee Goodman Merchant Partners, a division of Goodman & Company, Investment Counsel Inc. As an advisor, Sprott Capital Partners LP received \$156,532 and 1,563,273 finders' warrants, and for certain orders, received finders' fees in the aggregate of \$11,995, for services related to its engagement. Following the financing, Dundee Corporation's wholly owned subsidiary, Dundee Resources Limited now owns 36,932,036 shares of Maritime, representing an approximate 19.54% interest.

EXPLORATION

Maritime's Green Bay, Whisker Valley and Gull Ridge properties straddle two major fault systems, the Baie Verte Fault Line and the Green Bay Fault. It is believed that these regional fault structures and closely related splay faults played a significant role in the formation of these gold deposits. The properties are strategically located to target the gold potential along this significant regional structural belt, that has juxtaposed a wide variety of rock types originating from a variety depositional environment. The Baie Verte Peninsula properties include an association with a regional deep crustal fault zone and important conduits for gold bearing fluids; gold mineralization is epigenetic, structurally-controlled and often associated with splays or secondary structures off regional-scale fault zones; and gold mineralization occurs in a wide range of rock types, and styles.

Maritime's exploration to date on its Green Bay and Whisker Valley projects has recognized the importance of these large-scale regional structures as the conduits for the localization and transport of mineralizing fluids and the secondary splay structures as a depositional environment for these gold rich fluids. This mineralizing system has been productive and formed the Hammerdown Mine gold deposit where high-grade gold and significant widths have been demonstrated. Between 2000 - 2004 Richmond Mines produced a total of 143,000 ounces from 291,400 tonnes of ore at a grade of 15.83 gpt Au. Similarities have also been recognized between the mineralization at Hammerdown with the gold mineralization discovered on Maritime's adjacent Whisker Valley property.

The results achieved to date on the Whisker Valley and Gull Ridge properties have been very encouraging. In 2019, Maritime has an extensive exploration plan in place, focusing on advancing major gold targets identified to date and regional property wide exploration to identify targets that may have been missed as a result of the localized and sporadic nature of the historical work. The 2019 program will entail geological and structural mapping, sampling, ground geophysics, trenching and diamond drilling. Work will commence in late April 2019 with a 1,000-line kilometre airborne geophysical survey covering Maritime's entire Whisker Valley and Gull Ridge properties.



Green Bay Project

Maritime's Green Bay property in central Newfoundland and Labrador hosts the Company's gold and base metal deposits. The recently closed (2004) Hammerdown Mine includes the adjacent Rumbullion and Muddy Shag Gold deposits. The Orion Gold deposit is situated 1.5 kilometres to the Southwest and the Lochinvar base-precious metal VMS deposit is located one kilometre east of Hammerdown.

The main Hammerdown deposit is cut off by a major fault and geological interpretations currently favour that part of the deposit has been offset at depth. An exploration model is being developed to test for the extension of this deposit. The Rumbullion vein system extends for 800 metres to the northeast of the current deposit area and represents a further opportunity to add new, shallow resources into the Hammerdown resource base. Recent optioning of the adjacent Inomin Resources property has added further potential extension to the Rumbullion trend.

Hammerdown 2018 Drilling Program on the J, K and L Veins

The Company completed 1,733 metres of drilling in 31 drill holes immediately south of the historical open pit mining area. The program was designed to follow up on the unmined J, K L and M3 gold rich quartz/sulphide vein system that was outlined from a surface trenching program late 2017 and to test the mineralization in the top 30 metres below surface. The goal of the program was to outline a new mineral resource that could potentially be evaluated as a start-up open pit mining operation. During start-up of the original Hammerdown Mine in 2000, Richmond produced approximately 8,500 ounces from the small open pit over a period of just four months before commencing underground operations.

Drill core assays from the Phase 1 diamond drill hole program reported over 100 significant gold assay intercepts in the area immediately southwest and south of the historical open pit mining. A number of the previously designated gold vein zones were intersected in the 2018 program including the J, K, L and M3 vein system. The drilling also identified lower grade zones (1 to 5 gpt Au assays) newly designated as the SFV (sheared felsic volcanic) and QFP (quartz feldspar porphyry) which were not adequately sampled and assayed during the historical exploration and mining period. This newly identified lower grade mineralization is close enough to surface to be captured into a new open pit shell or smaller satellite shell.

The Phase 1 drill hole collars were surveyed and brought into the Company's 3D software to evaluate the continuity of zones. These results will be compiled along with all the available historical drilling data in the area to determine if these new shapes can be used to establish a resource/ reserve as an open pit shell design.

To date, over 21 gold bearing veins and mineralized zones have been drill tested at Hammerdown of which only ten of these veins were partially mined by the previous operators.



Table 1. Significant Drill Hole Intersections -- Hammerdown 2018 Drilling Program on the J, K and L Veins

| Vein/Zone | Drill Hole | From | To | Width m | Au (gpt) |
|------------------|-------------------|--------------|--------------|----------------|-----------------|
| K1 Zone | MP-18-31 | 22.85 | 23.88 | 1.03 | 6.66 |
| | Includes | 22.85 | 23.21 | 0.36 | 13.79 |
| K2 Zone | MP-18-31 | 26.75 | 29.00 | 2.25 | 2.11 |
| K3 Zone | MP-18-31 | 36.20 | 37.72 | 1.52 | 2.78 |
| K1 Zone | MP-18-34 | 29.83 | 31.03 | 1.20 | 3.12 |
| | Includes | 30.33 | 30.53 | 0.20 | 18.20 |
| K1 Zone | MP-18-36 | 73.11 | 74.07 | 0.96 | 2.96 |
| SFV | MP-18-37 | 16.07 | 17.84 | 1.77 | 1.77 |
| K1 Vein | MP-18-39 | 68.50 | 69.70 | 1.20 | 10.95 |
| | Includes | 69.00 | 69.20 | 0.20 | 54.32 |
| K2 Vein | MP-18-42 | 12.20 | 13.64 | 1.44 | 27.20 |
| | Includes | 12.70 | 13.14 | 0.44 | 88.60 |
| K3 Vein | MP-18-42 | 14.53 | 16.29 | 1.76 | 3.87 |
| | Includes | 14.53 | 15.03 | 0.50 | 9.84 |
| SFV | MP-18-44 | 41.22 | 42.58 | 1.36 | 1.99 |
| SFV | MP-18-46 | 21.00 | 22.00 | 1.00 | 2.21 |
| QzPy Vein | MP-18-47 | 12.59 | 14.11 | 1.52 | 3.36 |
| | Includes | 13.19 | 13.61 | 0.42 | 11.89 |

New Property Acquisition

During the third quarter of 2018, the Company finalized an Option to Purchase Agreement with Inomin Mines Inc. to earn a 100% interest in a property comprised of two separate claim blocks consisting of a total of 129 claim units covering over 3,225 hectares (the "King's Point Property"). The King's Point Property covers geological extensions to the Company's Hammerdown gold deposit that host a number of high-grade gold veins and base metal occurrences.

The northern claim block is located within only two kilometres of the Hammerdown gold deposit. This property covers known extensions of the gold bearing deformation zone that host the Hammerdown and Orion deposits including several narrow gold vein intercepts within the Golden Anchor prospect. These veins are similar to the Hammerdown veins with historic samples assaying up to 3 gpt Au and have never been followed up. Under the terms of the agreement Maritime will earn 100% interest in the Inomin property over a 3-year period by spending \$600,000



making cash payments totaling \$300,000 and issuing 2,000,000 shares of Maritime in accordance with the following schedule:

| | Cash \$ | Common shares # | Minimum required exploration expenditure \$ |
|--------------------|----------------|--------------------|---|
| Upon approval | 25,000 (paid) | 500,000 (issued) | - |
| September 17, 2019 | 50,000 | 500,000 | 75,000 |
| September 17, 2020 | 100,000 | 500,000 | 150,000 |
| September 17, 2021 | 125,000 | 500,000 | 375,000 |
| | 300,000 | 2,000,000 | 600,000 |

During the fourth quarter of 2018, the Company began surface work on the King's Point Property, mainly prospecting, geochemical sampling and mapping on both the historical target as well as new areas.

Whisker Valley Project

The work that was carried out on the Whisker Valley project during the fall of 2017 identified three sub-parallel vein systems that now extend for over 200 metres. The high-grade nature of the veins has been encountered over the entire 200 metres of exposed trenches and is open in both directions.

Whisker Valley is characterized by a series of three sulphide bearing quartz veins containing high grade gold (Gary, Ben and Jackson) that have been trenched and sampled over a 200 metre strike length (see press release dated January 22, 2018). The similarities to Hammerdown are very evident, even at this early stage of exploration. Whisker Valley is located approximately 10 kilometres north of Hammerdown. A 2018 geophysical survey extended the possible strike extent to 500 metres. (See press release dated September 26, 2018.)

Table 2. Significant Drill Hole Intersections -- Whisker Valley December 2018 Drill Program

| Vein/Zone | Drill Hole | From (m) | To (m) | Width (m) | Au (gpt) |
|----------------|------------|----------|--------|-----------|----------|
| Gary | WH-18-01 | 83.50 | 84.49 | 0.99 | 1.69 |
| | WH-18-01 | 93.45 | 96.64 | 3.19 | 3.16 |
| | WH-18-01 | 98.30 | 98.50 | 0.20 | 2.65 |
| Jackson | WH-18-02 | 82.80 | 83.60 | 0.80 | 4.08 |
| | WH-18-02 | 85.41 | 85.70 | 0.29 | 15.18 |
| Ben | WH-18-03 | 32.07 | 32.19 | 0.12 | 3.05 |
| | WH-18-03 | 33.89 | 34.09 | 0.20 | 1.52 |
| | WH-18-03 | 45.10 | 46.07 | 0.97 | 16.04 |
| | Including | 45.67 | 46.07 | 0.40 | 36.61 |
| Gary | WH-18-04 | 42.30 | 42.55 | 0.25 | 5.54 |
| | WH-18-04 | 73.37 | 73.70 | 0.33 | 24.06 |

Ben Vein

As previously released (press release dated November 29, 2017), the Ben Vein has been exposed over a strike length of 90 metres and remains open in both directions. Results from the most westerly portion of the Ben 1 Vein has



returned a weighted average grade over 31 metres of 7.57 gpt Au over an average width of 1.31 metres. The Ben 2 Vein, as previously released, returned a weighted average grade over 31 metres grading 13.42 gpt Au over an average width of 1.09 metres. These are parallel veins that sit approximately two metres apart at the western end of the exposed system. The most recent assays of the easterly extension of the Ben 2 Vein has returned composited grades of 4.25 gpt Au over a strike length of 13.00 metres, 2.02 gpt Au over a strike length of 22.50 metres, 4.7 gpt Au over a strike length of 5 metres, as well as, 1.34 gpt Au over a strike length of 17.50 metres.

Jackson Vein

As previously released (press release dated January 22, 2018), the Jackson Vein has been mapped over a total strike length of 84 metres with composited results from the most easterly 34 metre section of the vein returning a weighted average grade of 13.66 gpt Au with an average vein width of 1.23 metres. The most recent assays of the westerly extension of the Jackson 2 Vein has returned composited grades of 10.22 gpt Au over a strike length of 23.75 metres, as well as 3.59 gpt Au over a strike length of 26.25 metres as outlined in the table above. Significant to note as well are the occurrence of mineralized tension gash veins/ alteration in the immediate hanging wall and footwall to the Jackson Vein. Assays from several tension gash/ alteration returned 15.73 gpt Au over 0.30 metres, 3.78 gpt Au over 0.36 metres as well as 20.38 gpt Au over 0.15 metres.

Gary Vein

The Gary Vein is located on the most easterly exposed portion of the vein system discovered during the trenching program last fall. The vein is represented by a robust gold base metal bearing quartz vein, containing localized occurrences of galena, pyrite and chalcopyrite and visible gold hosted in altered granitic rocks. The Gary Vein has now been mapped over a strike length of 28 metres and remains open in both directions. Results from the channel samples returned a weighted average grade of 16.61 gpt Au with an average vein width of 0.91 metres over a projected calculated sample strike length of 38 metres. The most easterly sample returned grades of 25.67 gpt Au with the most westerly sample returning grades of 42.91 gpt Au. Drill hole WH-18-4 was drilled on the IP anomaly 50 metres east of the last vein exposure and encountered the Gary Vein with high grade gold values. This demonstrates that the IP survey detects the extension of the Gary Vein. Further trenching will be conducted in the summer of 2019 after the completion of the planned drill program this spring.

Whisker Valley Geophysical Program

A detailed Induced Polarization (IP) program was completed at Whisker Valley in March of 2018. Approximately 15-line kilometres of surveying was completed on 50 metre spaced lines over the new Whisker Valley vein system which has outlined a series of high-grade gold veins as recently reported by Maritime. The gold veins carry disseminated pyrite and base metals sulphides which are detectable by the IP geophysical method. The 2018 IP Survey was designed to test the depth potential of the known vein system as well as search for extensions to the east and west ends of the veins. The last vein exposures at the east and west ends were channel sampled returning high-grade gold assay results exceeding 10 gpt Au on the west end and 20 gpt Au on the east end. The gold veins carry with it disseminated pyrite and base metals sulphides which are detectable by the IP geophysical method. The detailed IP program was completed in February and March 2018 and covered approximately 10-line kilometres on 50 metre spaced lines.

Interpretation of the IP Survey by consulting Geophysicist Cliff Candy, P.Geo., of Frontier Geosciences, outlined four significant anomalous responses in the survey area. The IP survey returned a strong positive response over a continuous 500 metre target area. This survey demonstrated anomalous values over the entire length of the known vein system and further extends the target area 200 metres to the east and 100 metres to the west.

The geophysical anomalies generally show increasing in strength with depth, indicating increasing sulphides in deeper portions of the veins. The strongest IP response is over the 50 metres long Gary Vein and extends for further 150 metres to the east, likely due to the presence of sulphides which is associated with gold at the Gary vein.

*Whisker Valley Option Agreements*

On February 27, 2017, the Company entered into an agreement to acquire a 100% interest in the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada, under the following terms:

| | Cash \$ | Common shares # | Minimum required exploration expenditure \$ |
|----------------|----------------|--------------------|---|
| Upon approval | 25,000 (paid) | 100,000 (issued) | - |
| March 22, 2018 | 20,000 (paid) | 150,000 (issued) | 100,000 (incurred) |
| March 22, 2019 | 30,000 (paid) | 200,000 (issued) | 250,000 (incurred) |
| March 22, 2020 | 50,000 | 250,000 | 300,000 |
| March 22, 2021 | 75,000 | 300,000 | 500,000 |
| March 22, 2022 | 100,000 | 500,000 | 500,000 |
| | 300,000 | 1,500,000 | 1,650,000 |

The Company is required to make an additional payment to the optionors of \$50,000 on each of the first, second and third anniversary upon full exercise of its option having issued all of the payments and shares and incurred all of the expenditures. The property is subject to a 2.5 % NSR, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commencement of commercial production.

On November 16, 2017, the Company further expanded the Whisker Valley project by entering into an agreement to acquire 100% interest in the El Strato property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), under the following terms:

| | Cash \$ | Common shares # |
|-------------------|---------------|--------------------|
| Upon approval | 5,000 (paid) | 250,000 (issued) |
| November 23, 2018 | 10,000 (paid) | 250,000 (issued) |
| November 23, 2019 | 25,000 | 250,000 |
| | 40,000 | 750,000 |

On December 1, 2017, the Company also added to the Whisker Valley project by entering into an agreement to acquire 100% interest in the Strugglers Pond property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), under the following terms:

| | Cash \$ | Common shares # | Minimum required exploration expenditure \$ |
|-------------------|---------------|--------------------|---|
| Upon approval | 2,000 (paid) | 10,000 (issued) | 5,000 (incurred) |
| December 27, 2018 | 3,000 (paid) | 15,000 (issued) | 25,000 (incurred) |
| December 27, 2019 | 10,000 | 25,000 | 50,000 |
| December 27, 2020 | 15,000 | 50,000 | 120,000 |
| | 30,000 | 100,000 | 200,000 |

Both the El Strato and Strugglers Pond properties are subject to separate 2% NSR royalties, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commercial production.

Gull Ridge Project

In January 2019, the Company staked the new Gull Ridge project claims which include approximately 6,450 hectares on 258 claim units situated in the southern part of the Baie Verte Peninsula. The Gull Ridge property has been recognized by Maritime as a significant underexplored target area for base and precious metals. During the 2019



exploration season Maritime will complete a comprehensive compilation of all historical exploration data completed over the Gull Ridge property area. Field work in 2019 will consist of field mapping, prospecting and focused geochemistry.

FINANCIAL POSITION

Cash and cash equivalents

Cash totaled \$955,162 as at March 31, 2019, compared to \$2,359,066 as at December 31, 2018. The decrease in cash and cash equivalents is mainly due to the payment of severances during the period and also results from expenditures on the Company's exploration activities and corporate general and administrative expenses. The Company's Canadian cash and cash equivalents are held on deposit or in highly liquid, fully redeemable Guaranteed Investment Certificates with a major Canadian bank.

Receivables

Receivables of \$64,797 as at March 31, 2019, compared to \$40,953 as at December 21, 2018 related mainly to input sales tax.

Mineral properties

Expenditures incurred on the Company's 100% owned Green Bay, Whisker Valley and Gull Ridge properties, follow:

| | Green Bay \$ | Whisker Valley \$ | Gull Ridge \$ | Total \$ |
|-----------------------------------|------------------|----------------------|------------------|------------------|
| Balance, December 31, 2017 | 6,250,856 | 218,748 | - | 6,469,604 |
| Acquisition costs – cash | 25,000 | 48,000 | - | 73,000 |
| Acquisition costs – shares | 45,000 | 37,700 | - | 82,700 |
| Exploration expenses: | | | | |
| Drilling and assaying | 289,772 | 77,842 | - | 367,614 |
| Geology and engineering | 473,476 | 146,442 | - | 619,918 |
| Property | 55,991 | 585 | - | 56,576 |
| Geophysics | 11,208 | 47,500 | - | 58,708 |
| Other | 13,266 | 9,611 | - | 22,877 |
| | 913,713 | 367,680 | - | 1,281,393 |
| Less: Recoveries and grants | (10,153) | - | - | (10,153) |
| Net additions | 903,560 | 367,680 | - | 1,271,240 |
| Balance, December 31, 2018 | 7,154,416 | 586,428 | - | 7,740,844 |
| Acquisition costs – cash | - | - | 3,870 | 3,870 |
| Acquisition costs – shares | - | 49,000 | - | 49,000 |
| Exploration expenses: | | | | |
| Drilling and assaying | 72,977 | - | - | 72,977 |
| Geology | 86,320 | 104,668 | 1,813 | 192,801 |
| Property | 1,350 | - | - | 1,350 |
| Pre-feasibility study update | 79,149 | - | - | 79,149 |
| | 239,796 | 153,668 | 5,683 | 399,147 |
| Less: Recoveries and grants | - | - | - | - |
| Net additions | 239,796 | 153,668 | 5,683 | 399,147 |
| Balance, March 31, 2019 | 7,394,212 | 740,096 | 5,683 | 8,139,991 |



During the year ended December 31, 2018, the Company received \$10,153 pursuant to an application made with the Newfoundland and Labrador government in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program (“JEAP”) grant for exploration conducted during 2017. Subsequent to the end of the period, the Company received a Newfoundland and Labrador JEAP grant of \$65,250 for exploration conducted during 2018.

Right of use asset and lease liability

The Company has applied IFRS 16 using the modified retrospective approach which requires the cumulative effect of initial application to be recognized in retained earnings at January 1, 2019. On adoption of IFRS 16, the Company recognized a lease liability for an office lease previously classified as an operating lease under IAS 17. The liability was measured at the present value of the remaining lease payments, discounted using the Company’s applicable incremental borrowing rate as of January 1, 2019 of 8% and assumes Maritime will not renew the lease upon termination. On transition, the associated right-of-use asset was measured at \$106,720 being the amount equal to the lease liability. During the three month period ended March 31, 2019, the lease liability was reduced by \$20,500 for payments during the period. As at March 31, 2019, the Company is required to pay \$90,000 in undiscounted lease payments over the remaining term which are due within one year.

The Company has elected not to recognize a right of use asset and lease liability for a month to month sub lease that it has for its Toronto office. This lease can be terminated without permission with no significant penalty and does not meet the definition of an enforceable contract under IFRS 16. The lease payments associated with this lease are charged directly to the statement of loss and comprehensive loss.

Trade and other payables

Trade and other payables were \$263,828 as at March 31, 2019 compared to \$121,441 as at December 31, 2018. The increase is due to the increased level of activities at the Company’s exploration projects during the period.

Loan

On April 25, 2017, the Company entered into a loan arrangement (“Bridge Financing Agreement”) pursuant to which it received \$500,000 and provided for a maturity date of one year (the “Maturity Date”), interest of 8% per annum and was repayable upon earliest of: the maturity date, raising \$2,000,000 or more in equity or debt financing, or committing an event of default. In connection with the Bridge Financing Agreement, the lender received a bonus of 333,333 common shares of the Company valued at \$46,667, non-transferable warrants valued at \$105,387 allowing for the purchase of up to, in the aggregate, 1,666,666 additional common shares of the Company at \$0.15 per share, which expired unexercised on April 26, 2018, and cash finders fees of \$30,000. The effective interest rate, including bonus shares and warrants was 44%. During the period ended March 31, 2018, the Company recorded accrued interest of \$9,315 and accretion expense of \$57,360 in the statement of loss and comprehensive loss and the loan balance accreted to \$500,000. On March 26, 2018, the loan of \$500,000 and related interest of \$36,712 was repaid.

Private placements and flow-through premium liability

- Pursuant to a private placement on November 7, 2018, the Company issued 25,460,900 non flow-through units (“November 2018 NFT Units”) at \$0.11 per unit and 5,402,000 flow-through units (“November 2018 FT Units”) at \$0.13 per unit, for gross proceeds of \$3,502,959. Each unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per warrant share expiring November 7, 2020. The flow-through shares were issued at a premium of \$108,040. Pursuant to the Company incurring eligible flow-through expenditures during the three month period ended March 31, 2019, \$32,627 was recognized into income. As at March 31, 2019, the Company has \$490,187 of flow-through expenditures remaining to be incurred.



In connection with this private placement, the Company issued 2,152,791 finders' units. Each finders' unit is comprised of one common share and one-half (1/2) of one non-transferable warrant where each whole finders' unit warrant is exercisable to purchase one common share of the Company at a price of \$0.15 per common share for a period of 24 months expiring November 7, 2020. Also in connection with this private placement, finders' fees of 2,152,791 finders' warrants were issued and entitle the holder to purchase one common share of the Company at a price of \$0.11 per finders' warrant share for a period of 24 months expiring November 7, 2020.

The finders' unit warrants and the NFT finders' warrants were valued at \$22,344 and \$60,365, respectively, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.90%, expected life of 1.5 years, expected volatility of 72.74% and dividend yield of 0% and recorded to share issuance costs.

- Pursuant to a private placement on July 6, 2018, the Company issued 7,600,000 non flow-through units ("July 2018 NFT Units") at \$0.10 per unit and 5,166,667 flow-through units ("July 2018 FT Units") at \$0.12 per unit, for gross proceeds of \$1,380,000. Each July 2018 FT Unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant (the "July 2018 FT Warrant"). Each whole July 2018 FT Warrant entitles the holder to purchase one common share of the Company (the "July 2018 FT Warrant Share") at a price of \$0.20 per July 2018 FT Warrant Share expiring January 6, 2020. The flow-through shares were issued at a premium of \$103,333. The Company recognized the remaining \$20,698 into income during the three month period ended March 31, 2019, following the recognition of \$82,635 in income during the year ended December 31, 2018 pursuant to the Company incurring eligible flow-through expenditures.

Each July 2018 NFT Unit consisted of one non flow-through common share of the Company and one-half of one common share purchase warrant (the "July 2018 NFT Warrant"). Each whole July 2018 NFT Warrant entitles the holder thereof to purchase one common share of the Company (the "July 2018 NFT Warrant Share") at a price of \$0.20 per July 2018 NFT Warrant Share for expiring January 6, 2020. In connection with this private placement, finders' fees of \$30,000 were paid and 480,000 July 2018 NFT Finders' Warrants were issued. Each July 2018 NFT Finders' Warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 per share until January 6, 2020. The July 2018 NFT Finders' Warrants were valued at \$17,319 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.90%, expected life of 1.5 years, expected volatility of 98.47% and dividend yield of 0% and recorded to share issuance costs.

- On December 15, 2017, the Company announced a non-brokered private placement of up to \$2,000,000 through the issuance of a combination of non flow-through units ("December 2017 NFT Units") at \$0.10 per Unit and flow-through units ("December 2017 FT Units") at a price of \$0.12 per December 2017 FT Unit. Each Unit consists of one common share and one-half of one common share purchase warrant ("December 2017 Warrant"). Each whole December 2017 Warrant entitles the holder to acquire one common share of the Company at a price of \$0.20 per common share for 18 months following the closing date of the private placement (the "December 2017 NFT Warrant Share").



The December 2017 private placement closed in 4 tranches and raised gross proceeds of \$608,000 in the first tranche during the year ended December 31, 2017 and \$1,134,754 in 3 tranches in each of the January, February and March months of 2018 as follows:

| Closing Date | January 11 | February 15 | March 21 | Total |
|-------------------------------|---------------|-----------------|--------------------|--------------------|
| Gross Proceeds | \$326,920 | \$277,834 | \$530,000 | \$1,134,754 |
| FT Shares Issued | 666,000 | 250,000 | - | 916,000 |
| NFT Shares Issued | 2,470,000 | 2,478,340 | 5,300,000 | 10,248,340 |
| Warrants Issued | 1,568,000 | 1,364,170 | 2,650,000 | 5,582,170 |
| Warrant Exercise Price | \$0.20 | \$0.20 | \$0.20 | |
| Warrant Expiry Date | July 11, 2019 | August 15, 2019 | September 21, 2019 | |
| Finders' Fees | | | | |
| Cash | - | \$8,400 | \$15,000 | \$23,400 |
| NFT Shares Issued | - | 488,480 | - | 488,480 |
| Warrants Issued | - | 824,886 | 350,000 | 1,174,886 |
| Exercise Price | - | \$0.20 | \$0.20 | |
| Expiry Date | - | August 15, 2019 | September 21, 2019 | |

The flow-through shares, issued in the January 11 and February 15 tranches, were issued at premiums of \$13,320 and \$5,000, respectively, and were fully recognized into income during the year ended December 31, 2018.

| Flow-through premium liability | \$ |
|--|----------------|
| Balance – December 31, 2017 | 63,982 |
| Flow-through premium liability additions | 229,693 |
| Settlement of flow-through premium to income | (164,937) |
| Balance – December 31, 2018 | 128,738 |
| Flow-through premium liability additions | - |
| Settlement of flow-through premium to income | (53,325) |
| Balance – March 31, 2019 | 75,413 |

Shares issuances related to property option agreements

During the three month period ended March 31, 2019, the Company issued 200,000 common shares valued at \$19,000 in connection with the Whisker Valley property.

During 2018, the Company issued 150,000 common shares valued at \$16,500 in connection with the Whisker Valley property; issued 500,000 common shares valued at \$45,000 in connection with the Inomin property; issued 250,000 common shares, valued at \$20,000, in connection with the El Strato property; and issued 15,000 common shares, valued at \$1,200, in connection with the Struggler Pond property.

Royalty units

During fiscal 2016, the Company issued Royalty Units with a price of \$0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. The proceeds of \$210,700 received in relation to the Royalty Units has been recorded as a Royalty Reserve within Equity.

Royalty Units will return 100% of the original investment made by the purchasers and is to be paid out of production from the Company's Green Bay project. The likelihood of the project going into production cannot be determined at this time. Total royalties payable from the Royalty Units ("Royalty Payment") are capped at \$3,440,500 being the price for which the Equity Units (comprised of common shares and common share warrants) and Royalty Units were purchased. Royalty Payments will be made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow



from the Project, with net cash flow representing net production revenues realized from the Project after deduction of all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold.

Hostile takeover bid

Pursuant to discussions which commenced during the first quarter of 2018, on April 13, 2018, Anaconda Mining Inc. ("Anaconda") made a formal unsolicited offer to the Company and its shareholders, to acquire all of the issued and outstanding shares of the Company. The offer contemplated the exchange of one common share of the Company for consideration of 0.39 of a common share in Anaconda. The Company engaged legal counsel, financial advisors and strategic advisors to evaluate Anaconda's offer and incurred expenditures of \$26,798 during the three month period ended March 31, 2018 and \$619,758 as of December 31, 2018, relating to this offer. On July 12, 2018, Anaconda withdrew their formal unsolicited offer to the Company and its shareholders.

RESULTS OF OPERATIONS

| Three month periods ended March 31 | 2019 \$ | 2018 \$ | Change \$ |
|---|--------------------|------------|--------------|
| Expenses | | | |
| Salaries and benefits | 94,314 | - | (94,314) |
| Severance | 884,497 | - | (884,497) |
| Administration | 75,639 | 88,500 | 12,861 |
| Consulting | 28,000 | 87,000 | 59,000 |
| Professional fees | 27,448 | 14,689 | (12,759) |
| Directors' fees | 17,500 | 4,500 | (13,000) |
| Investor relations and promotion | 12,478 | 165,147 | 152,669 |
| Depreciation | 21,344 | - | (21,344) |
| Interest expense on lease liability | 1,998 | - | (1,998) |
| Financing expense, accretion and interest on | - | 66,675 | 66,675 |
| | (1,163,218) | (426,511) | (736,707) |
| Interest income | 5,581 | - | 5,581 |
| Recognition of flow-through premium liability | 53,325 | 26,044 | 27,281 |
| Loss and comprehensive loss for the year | (1,104,312) | (400,467) | (703,845) |
| Loss per share | (0.01) | (0.01) | - |

For the three month period ended March 31, 2019, the Company incurred a loss and comprehensive loss in the amount of \$1,104,312 (2018 – \$400,467). Expenses during the three months ended March 31, 2019 were higher than the comparative period due to the payment of severance of \$884,497 to the former management team of the Company partially offset by lower corporate expenses during the period (See Transactions with Related Parties below). Depreciation and interest expense on lease liability relate to the amortization of the right of use asset and accretion of the lease liability for an office lease of the Company under the new accounting policy adoption for Leases as of January 1, 2019 (see New Accounting Standards below).

During the period ended March 31, 2019, the Company incurred \$8,700 for an office lease included in Administration in the statement of loss and comprehensive loss and not included in lease liabilities.

Pursuant to qualifying flow-through expenditures incurred during the three month period ended March 31, 2019, the flow-through premium liability was reduced by \$53,325 (2018 – \$26,044) and recorded in income as Recognition of the flow-through premium liability.



SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

| | Mar 31 | Dec 31 | Sep 30 | Jun 30 | Mar 31 | Dec 31 | Sep 30 | Jun 30 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| in thousands, except per share amounts | 2019 | 2018 | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Net loss: | | | | | | | | |
| (i) in total | (1,104) | (597) | (527) | (941) | (400) | (543) | (248) | (376) |
| (ii) per share ⁽¹⁾ | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.00) | (0.01) |
| Cash | 955 | 2,359 | 162 | 56 | 361 | 387 | 632 | 137 |
| Exploration and evaluation | 8,140 | 7,741 | 7,300 | 7,078 | 6,676 | 6,470 | 6,165 | 5,972 |
| Loans | nil | nil | nil | nil | nil | (443) | (514) | (475) |
| Deficit | (8,721) | (7,616) | (7,028) | (6,501) | (5,436) | (5,107) | (4,564) | (4,353) |

⁽¹⁾ Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

The Company's operations are not driven by seasonal trends, but rather by reaching project milestones such as completing various geological, technical, environmental and socio-economic objectives as well as closing the financings needed to fund the Company's activities. The operating results of junior exploration companies typically demonstrate wide variations from period to period. These variances arise from fluctuations in such costs as share-based compensation, level of exploration activity and unanticipated events such as hostile takeover bids.

TRANSACTIONS WITH RELATED PARTIES

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers. Compensation paid or payable to key management personnel for services rendered were as follows for the three months ended March 31:

| | 2019 | 2018 |
|-----------------------|-----------|---------|
| | \$ | \$ |
| Salaries | 87,000 | - |
| Consulting | 24,000 | 87,000 |
| Contract wages | 6,500 | 19,500 |
| Directors' fees | 17,500 | 4,500 |
| Geological consulting | 28,200 | 60,600 |
| Severances | 884,497 | - |
| | 1,047,697 | 171,600 |

In accordance with IAS 24, *Related Party Disclosures*, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive). The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends.

At March 31, 2018, the Company owed \$2,875 to the former CEO and director of the Company, \$5,872 to a former director of the Company and \$3,572 to a director of the Company, in respect of expenses incurred on behalf of the Company and included in accounts payable and accrued liabilities.

At March 31, 2019, the Company included in accounts payable and accrued liabilities \$2,500 payable to a director, \$16,647 payable to the Chief Executive Officer and director, \$2,362 payable to the Chief Financial Officer and \$10,290



payable to the VP Exploration in respect of expenses incurred on behalf of or services provided to the Company. The Company also owed \$10,721 to Aurelius Minerals Inc. in respect of rent and office administration and accrued \$17,500 of director fees to the members of board of directors of the Company during the first quarter of 2019.

During the three months ended March 31, 2019, the Company announced that it had made management changes. Pursuant to the management changes, the Company paid severances totalling \$884,497 to the former Chief Executive Officer (\$391,496), Chief Financial Officer (\$117,000), Chief Operating Officer (\$328,001) and Corporate Secretary (\$48,000) of the Company.

Related-party transactions

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related as they have directors, as well as the Chief Financial Officer and Corporate Secretary in common. The related corporation also charged Maritime for reimbursement of direct third party purchases of certain office administration services. Effective July 1, 2014, the Company entered into arrangement with an administration and exploration services contractor ("AESC") in which a director is a shareholder, pursuant to which it receives office, administrative and exploration services. The AESC ceased to be a related party of the Company effective February 1, 2019.

For the three month periods ended March 31, the Company was charged the following:

| | 2019 | 2018 |
|------------------------------|---------------|--------|
| | \$ | \$ |
| Rent | 8,700 | - |
| Office administration | 788 | - |
| Rent - AESC | 8,287 | 24,860 |
| Office administration - AESC | 19,489 | 5,060 |
| | 37,264 | 29,920 |

At December 31, 2018, the Company had included in prepaids \$10,384 to AESC.

LIQUIDITY AND CAPITAL RESOURCES

The Company has no operations that generate cash flow at this time. The Company's future financial success will depend on its success in re-starting the past producing Hammerdown gold mine and, also on the expansion of, or discovery of, one or more economic mineral deposits or business opportunities. The process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management.

Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company has financed its activities primarily by the issuance of equity securities. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

Subsequent to the end of the year, the Company announced that it closed a non-brokered private placement raising aggregate gross proceeds of \$6,092,500 through the issuance of a combination of units at a price of \$0.10 per unit and flow-through units at a price of \$0.12 per unit. The Company considers this to be sufficient financing to carry out its 2019 plan.



Working Capital

The Company had \$787,795 in working capital as at March 31, 2019 (December 31, 2018 – \$2,324,737) (see “Non-IFRS Measures”). As at March 31, 2019, the Company has no debt, does not have any unused lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements. The Company has no current plans to use debt financing and does not use hedges or other financial derivatives.

The Company manages its liquidity risk (i.e., the risk that it will not be able to meet its obligations as they become due) by forecasting cash flows from operations together with its investing and financing activities. Expenditures are adjusted to ensure liabilities can be funded as they become due. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

Operating Activities

Cash used in operating activities was \$1,003,255 for the three month period ended March 31, 2019, compared to \$294,173 in the same period of 2018.

Financing Activities

Financing activities resulted in cash outflows of \$20,502 from the repayment of lease liabilities compared to cash inflows of \$475,174 in the same period of 2018, from the issuance of shares partially offset by the repayment of the loan.

Investing Activities

Investing activities, relating predominantly to exploration and evaluation expenditures on the Company's exploration properties, resulted in cash outflows of \$380,147 during the three month period ended March 31, 2019 compared to \$206,858 during the three month period ended March 31, 2018.

CONTINGENCIES

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial position or future results of the Company.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments. The fair value of cash is measured based on level 1 of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company's receivables consist primarily of tax receivables due from federal and



provincial government agencies. The Company has no customers or trade receivables as at March 31, 2019. The Company does not have a significant concentration of credit risk with any single counter-party. The Company's cash is invested in interest bearing accounts at major Canadian chartered banks. Because of these circumstances, the Company does not believe it has a material exposure to credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The risk that the Company will realize a loss in cash is limited because the Company's deposits are redeemable on demand.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at March 31, 2019, the Company had cash totalling \$955,162 (December 31, 2018 – \$2,359,066) to settle accounts payable and accrued liabilities of \$263,828 (December 31, 2018 – \$121,441). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at March 31, 2019 and December 31, 2018, the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

RISK FACTORS AND UNCERTAINTIES

The Company is subject to risks and uncertainties similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, continuing losses, dependence on key individuals, and the ability to secure adequate financing to meet minimum capital required to successfully complete its exploration programs and continue as a going concern. While the Company has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future. The operations of the Company are speculative due to the high-risk nature of its business. These risk factors and uncertainties could materially affect the Company's future operating results and could cause actual events to differ materially from those described herein and in forward-looking statements and forward-looking information relating to the Company. For a more comprehensive discussion of the risks and uncertainties faced by the Company, please refer to the Company's MD&A as at December 31, 2018 filed on www.sedar.com.



MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information included in the Financial Statements and this MD&A is the responsibility of management, and their preparation in accordance with IFRS requires management to make estimates and their assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amount of income and expenses during the reported period. Actual results could differ from those estimates.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in the Financial Statements are as follows:

Economic recoverability and profitability of future economic benefits of exploration and evaluation assets – Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geological and other technical information, a history of conversion of mineral deposits with similar characteristics to its properties, evaluation of permitting and environmental issues and other such factors.

Royalty reserve - Royalty reserve includes proceeds received from royalty units, repayable from future production. As future production is not determinable, the royalty units have been classified as capital in nature.

The most significant accounts that require estimates as the basis for determining the stated amounts include the following:

Valuation of share-based payments, broker compensation and finders' warrants – The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments, agent compensation and finders' warrants, which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's results and equity reserves. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.

Income taxes – In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

**NEW ACCOUNTING STANDARDS**

The Company has adopted the new *IFRS 16 – Leases* (“IFRS 16”) accounting standard, effective January 1, 2019. The adoption of IFRS 16 has resulted in the changes in accounting policies described in Note 3 of the condensed interim financial statements for the three months ended March 31, 2019.

IFRS 16 was issued by the IASB on January 13, 2016, and has replaced IAS 17, Leases. IFRS 16 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 was adopted using the modified retrospective transition method as at January 1, 2019 without restatement of comparatives. The impact of the transition to IFRS 16 is disclosed in Note 3 of the condensed interim financial statements.

DISCLOSURE OF SECURITIES OUTSTANDING

As at May 29, 2019, the following common shares, common share purchase options, finders' warrants and common share purchase warrants were outstanding.

| | Expiry date | Exercise price per share | Number of shares and number of shares on exercise |
|---|----------------|--------------------------|---|
| Common shares | | | 189,050,469 |
| Common share purchase options | 29-May-2019 | \$ 0.28 | 395,000 |
| Common share purchase options | 15-Oct-2019 | \$ 0.15 | 100,000 |
| Common share purchase options | 13-Nov-2020 | \$ 0.15 | 1,685,000 |
| Common share purchase options | 29-Jul-2021 | \$ 0.25 | 2,300,000 |
| Common share purchase options | 26-Apr-2022 | \$ 0.15 | 200,000 |
| Common share purchase options | 04-Dec-2022 | \$ 0.10 | 500,000 |
| Common share purchase options | 15-Dec-2022 | \$ 0.10 | 2,500,000 |
| Common share purchase options | 06-Dec-2023 | \$ 0.11 | 4,805,000 |
| Common share purchase options | | | 12,485,000 |
| Common share purchase warrants | 22-Jun-2019 | \$ 0.20 | 2,727,500 |
| Common share purchase warrants | 11-Jul-2019 | \$ 0.20 | 1,568,000 |
| Common share purchase warrants | 19-Jul-2019 | \$ 0.20 | 8,249,998 |
| Common share purchase warrants | 15-Aug-2019 | \$ 0.20 | 1,364,170 |
| Common share purchase warrants | 21-Sep-2019 | \$ 0.20 | 2,650,000 |
| Common share purchase warrants | 06-Jan-2020 | \$ 0.20 | 6,383,333 |
| Common share purchase warrants | 07-Nov-2020 | \$ 0.15 | 15,431,450 |
| Common share purchase warrants | 12-24-Apr-2021 | \$ 0.15 | 28,448,333 |
| Common share purchase warrants⁽¹⁾ | | | 66,822,784 |
| Finders' warrants | 22-Jun-2019 | \$ 0.20 | 218,750 |
| Finders' warrants | 19-Jul-2019 | \$ 0.20 | 1,190,700 |
| Finders' warrants | 15-Aug-2019 | \$ 0.20 | 824,886 |
| Finders' warrants | 21-Sep-2019 | \$ 0.20 | 350,000 |
| Finders' warrants | 06-Jan-2020 | \$ 0.20 | 480,000 |
| Finders' warrants | 07-Nov-2020 | \$ 0.15 | 1,076,395 |
| Finders' warrants | 07-Nov-2020 | \$ 0.11 | 2,152,791 |
| Finders' warrants | 12-24-Apr-2021 | \$ 0.15 | 3,863,294 |
| Finders' warrants⁽²⁾ | | | 10,156,816 |

⁽¹⁾ Each transferable warrant entitles the holder to acquire one common share of the Company.

⁽²⁾ Each non-transferable warrant entitles the holder to acquire one common share of the Company.

**NON-IFRS MEASURES**

This MD&A refers to working capital, which is not a recognized measure under IFRS. This non-IFRS performance measure does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Management uses this measure internally to better assess performance trends and liquidity. Management understands that a number of investors and others who follow the Company's business assess performance in this way. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

| As at | March 31, 2019 | December 31, 2018 |
|--|------------------|-------------------|
| | \$ | \$ |
| Current assets | | |
| Cash | 955,162 | 2,359,066 |
| Receivables | 64,797 | 40,953 |
| Prepaid expenses | 31,664 | 46,159 |
| | 1,051,623 | 2,446,178 |
| Current liabilities | | |
| Accounts payable and accrued liabilities | (263,828) | (121,441) |
| Loans | - | - |
| Working capital | 787,795 | 2,324,737 |

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of *National Instrument 51-102, Continuous Disclosure Obligations* of the Canadian Securities Administrators. This includes statements concerning the potential to increase mineral resource and mineral reserve estimates and the Company's plans to restart the Hammerdown Mine, acquire new mineral property interests or business opportunities, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All forward-looking statements and forward-looking information are based on reasonable assumptions that have been made by the Company in good faith as at the date of such information. Such assumptions include, without limitation, the price of and anticipated costs of recovery of, base metal concentrates, gold and silver, the presence of and continuity of such minerals at modeled grades and values, the capacities of various machinery and equipment, the use of ore sorting technology will produce positive results, the availability of personnel, machinery and equipment at estimated prices, mineral recovery rates, and others. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire, maintain and advance exploration properties or business opportunities; competition within the industry to acquire properties of merit or new business opportunities, and competition from other companies possessing greater technical and financial resources; difficulties in advancing towards a development decision at the Hammerdown Mine and executing exploration programs at its Newfoundland and Labrador properties on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions or maintaining title or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, uncertainty as to whether mineral resources will ever be converted into mineral reserves once economic considerations are applied, uncertainty as to whether inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each MD&A of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, Maritime undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.