



# **MARITIME RESOURCES**

**MARITIME RESOURCES CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the nine month period ended September 30, 2020**  
(Expressed in Canadian dollars)



This Management's Discussion and Analysis ("MD&A") of Maritime Resources Corp. ("Maritime" or the "Company") is dated November 26, 2020 and provides an analysis of our interim financial results for the three and nine month periods ended September 30, 2020 and 2019. This MD&A should be read in conjunction with Maritime's condensed interim financial statements and notes thereto for the three and nine month periods ended September 30, 2020 and 2019 (the "Financial Statements") and the audited financial statements, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and follow the same accounting policies and methods as presented in note 3 to the Company's audited financial statements for the year ended December 31, 2019, available on [www.sedar.com](http://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](http://www.sedar.com) or the Company's website at [www.maritimeresourcescorp.com](http://www.maritimeresourcescorp.com).

Maritime is a Canadian-based junior gold and base metals exploration company focused on re-starting its 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. Of the total Green Bay Property 9,800 hectares, Maritime holds a 100% interest in 6,575 hectares or 67% with the remaining 3,225 hectares or 33% under option agreements to earn 100% ownership. The Green Bay Property 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.

### **Q3 2020 AND RECENT HIGHLIGHTS**

- Maritime closed two private placements during 2020 for aggregate gross proceeds of \$12,205,000. The Company is currently fully funded to complete a feasibility study and advance the permitting process to support a development decision of the Hammerdown Gold Project, as well as to advance and expand its exploration programs.
  - Completed a \$8,705,000 "bought deal" private placement with Sprott Capital Partners LP, on behalf of a syndicate of underwriters, on August 21, 2020.
  - Completed a non-brokered private placement for aggregate gross proceeds of \$3,500,000 on May 14, 2020.
- Whisker Valley recent exploration drilling highlights include:
  - New zone of mineralization encountered at Whisker Valley at a depth of 150 metre ("m") below surface.
  - Drill hole WH-20-12 intersected 5.1 grams per tonne ("gpt") gold ("Au") over 5.8 m, including 21.1 gpt Au and 0.35% Cu over 0.5 m and 9.2 gpt Au and 0.1% Cu over 2.1 m.
- Hammerdown Gold Project recent exploration drilling highlights include:
  - 9.46 gpt Au and 2.01 gpt Ag over 2.3 m, including 59.43 gpt Au and 45.90 gpt Ag over 0.4 m in drill hole MP-20-140 at Hammerdown.
  - High grade interval of 26.2 gpt Au and 1.7 gpt Ag over 4.0 m, including 96.43 gpt Au and 5.97 gpt Ag over 1.1 m in newly identified structure in drill hole BB-20-116 at Orion.
- Airborne VTEM and ZTEM geophysics surveys initiated over Whisker Valley and Hammerdown Gold Projects.
- Exercised early buy-down right of half of the Hammerdown deposit 2% net smelter return royalty held by Commander Resources Ltd. for a reduced sum of \$750,000 on September 17, 2020.
- Submitted its Environmental Assessment Registration for the Hammerdown Gold Project with the Department of Municipal Affairs and Environment, Newfoundland and Labrador to officially commence the permitting process for the development and operation of the Hammerdown Gold Project on July 8, 2020.
- Subsequent to September 30, 2020, 7,964,546 warrants were exercised for aggregate gross proceeds of \$1,156,500.



## **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. Of the total Green Bay Property 9,800 hectares, Maritime holds a 100% interest in 6,575 hectares or 67% of the Green Bay Property with the remaining 3,225 hectares or 33% under option agreements to earn 100% ownership. The Green Bay Property hosts the former producing 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 Whisker Valley and Gull Ridge properties, strategically located on the Baie Verte and Springdale Peninsulas; a prolific gold and base metals mining district.

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, currently 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.

On February 29, 2020, the Company announced the results from a Preliminary Economic Assessment completed for the Hammerdown Gold Project (see Preliminary Economic Assessment section below).

The Company has also entered into four option to purchase agreements for projects within 10 kilometres ("km") 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 m following up on the success of the early stage programs. In 2019, further widespread mapping, prospecting, trenching and geochemical surveys were completed on the Whisker Valley Property.

On March 12, 2020, the Company entered into a non-binding LOI with Rambler Metals and Mining Canada Limited, a wholly-owned subsidiary of Rambler Metals and Mining Limited ("Rambler"). The LOI includes an exclusivity period of twelve months to evaluate Rambler's Nugget Pond Gold Plant for the purpose of processing feed from the Hammerdown gold project and to complete a feasibility study with the option to negotiate a purchase agreement during that time. The Gold Plant is a small section of the total Nugget Pond concentrator plant and is not used to process ore by Rambler. Maritime will have a right of first refusal to match any competing offers for the plant during this time. In consideration Maritime advanced a deposit of \$200,000 to Rambler.

## **PRELIMINARY ECONOMIC ASSESSMENT – HAMMERDOWN GOLD PROJECT**

On February 29, 2020 the Company announced the results from a Preliminary Economic Assessment ("PEA") completed for the Hammerdown Gold Project ("Hammerdown", or the "Project"), including the satellite Orion deposit, located in the Baie Verte mining district of Newfoundland and Labrador near the towns of King's Point and Springdale. The PEA was prepared in accordance with Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The PEA provides an updated resource estimate and a base case assessment of developing the Project as a combined open pit and underground ramp-access mine (the "Combined Project") with an on-site gold pre-concentration plant and mineral processing through the Nugget Pond mill gold circuit. The PEA Technical Report entitled "Hammerdown Gold Project, Newfoundland and Labrador Preliminary Economic Assessment" (the "Technical Report") dated April 15, 2020 is available on SEDAR ([www.sedar.com](http://www.sedar.com)) and the Company's website ([www.maritimeresourcescorp.com](http://www.maritimeresourcescorp.com)).



**Hammerdown PEA Highlights and life-of-mine plan (“LOM”) include\*:**

- After-tax NPV<sub>5%</sub> of \$111.3M and 50.5% IRR (pre-tax NPV<sub>5%</sub> \$191.8M and 75.4% IRR) at base case gold price of US\$1,375/oz gold (“Au”)
- At US\$1,500/oz Au the Project returns after-tax NPV<sub>5%</sub> of \$154.1M and 65.1% IRR (pre-tax NPV<sub>5%</sub> \$261.7M and 95.6% IRR)
- LOM total gold production of 521,500 oz, averaging 57,900 oz annually
- Average annual gold production of 69,500 oz in the first 5 years
- LOM cash costs of US\$802.55/oz Au and LOM All-in sustaining costs (“AISC”) of US\$938.80/oz Au
- Pre-production capital expenditures of \$57.2M
- After-tax payback period of 1.5 years with base case pricing

The PEA highlights are based on the following:

1. Exchange Rate (US\$/C\$) of \$0.753;
2. Cash costs are inclusive of mining costs, processing costs, on-site general and administrative (“G&A”) costs, treatment and refining charges and royalties; and
3. AISC includes cash costs plus estimated corporate G&A, sustaining capital and closure costs.

*\*Cautionary Statement: The reader is advised that the PEA summarized in this MD&A is preliminary in nature and is intended to provide only an initial, high-level review of the Project potential and design options. Readers are encouraged to read the PEA in its entirety, including all qualifications and assumptions. The PEA is intended to be read as a whole, and sections should not be read or relied upon out of context. The PEA mine plan and economic model include numerous assumptions and the use of Inferred Resources. Inferred Resources are considered to be too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and to be used in an economic analysis except as allowed for by NI 43-101 in PEA studies. There is no guarantee that Inferred Resources can be converted to Indicated or Measured Resources, and as such, there is no guarantee the Combined Project economics described herein will be achieved. The PEA replaces the 2017 pre-feasibility study technical report.*

**Table 1. PEA Parameters and Outputs – Base Case US\$1375/oz Au, \$0.753 FX, 5% Discount**

After-tax NPV <sub>5%</sub> (\$M)	111.3
After-tax IRR (%)	50.5
After-tax payback (years)	1.5
LOM tonnes processed (Mt)	2,138,000
LOM Au grade Au (gpt)	7.82
LOM Au mill recovery (%)	97.0
LOM Au production (oz)	521,500
Average annual Au production (oz)	57,900
Pre-Production Capital (\$M)	57.2
LOM Sustaining Capital (\$M)	84.8
LOM AISC (US\$/oz)	938.80
Mine life (years)	9.0



Table 2. All-In Sustaining Costs

Area	LOM (\$M)
Open pit mining	168.34
Underground mining	214.16
Crushing, pre-concentration	50.57
Mineral processing incl. haulage	106.37
Water management	3.86
General & administrative	10.35
Surface handling	2.14
Total operating costs	555.79
Refining & smelting	1.20
Royalties	8.33
Sustaining capital, incl. closure	84.83
Total costs	650.15
LOM Au ounces recovered	521,500
<b>All-in sustaining cost (US\$/oz)</b>	<b>938.80</b>

### Sensitivities

After-tax economic sensitivities to gold prices and discount rates are presented in Tables 3 and 4, illustrating the effects of varying gold price and discount rates as compared to the base-case. Additional project sensitivities are presented in the Technical Report.

Table 3. Sensitivity to gold price

Gold Price (US\$/oz)	\$1,225	\$1,375	\$1,500	\$1,650
After-Tax NPV <sub>5%</sub> (\$M)	58.9	<b>111.3</b>	154.1	204.4
After-Tax IRR (%)	31.4	<b>50.5</b>	65.1	81.5
After-Tax Payback (Years)	1.8	<b>1.5</b>	1.3	1.2

Table 4. Sensitivity to discount rate at base case pricing assumptions

Discount Rate (%)	5.0%	7.0%	10.0%	12.0%
After-Tax NPV (\$M)	<b>111.3</b>	99.5	84.3	75.5

### PEA Overview

The PEA considers open pit and underground mining at both the Hammerdown and Orion deposits with pre-concentration of the mineralized material through a sorting plant and haulage to an offsite mill for gold doré production. The mine will be contractor operated with the Company providing technical oversight plus management of the sorting and process plant at the Nugget Pond mill gold circuit operations. The sorting plant is designed to produce 700 tonnes per day ("tpd") of product feed that would be processed at the Nugget Pond mill gold circuit. A mine life of 9 years is expected for the Project. The PEA leverages Hammerdown's extensive existing infrastructure including all-weather access roads, 3,700 metres of underground development and grid power within 2 km of the Project site. The PEA is derived from the Company's updated resource estimate (February 29, 2020) outlined in the Technical Report. The effective date of the PEA is February 29, 2020.

The PEA was prepared through the collaboration of the following firms: WSP Canada Inc. (Sudbury, ON) ("WSP"), AGP Mining Consultants Inc. (Toronto, ON) ("AGP"), Halyard (Toronto, ON), Canenco Consulting Corp. (Vancouver, BC), SRK Consulting UK (Cardiff, UK), and GEMTEC Consulting Engineers and Scientists (St. John's, NL). These firms provided Mineral Resource estimates, mine design and cost estimates for mine operations, process facilities, major



equipment selection, waste rock and tailings storage, reclamation, permitting, and operating and capital expenditures.

**Mineral Resource Estimate**

The Company's updated Mineral Resource Estimate ("MRE"; effective date of February 29, 2020) was completed by WSP and forms the basis for the PEA. A summary of the MRE is highlighted in Tables 5 and 6.

**Table 5. Hammerdown and Orion Pit Constrained Mineral Resource Summary**

Resource Classification	Cut-off	Deposit	Tonnes	Gold (g/t)	Gold oz
Measured	1.0 g/t	Hammerdown	284,600	11.75	107,500
Indicated	1.0 g/t	Hammerdown	739,100	8.17	194,100
<b>Measured &amp; Indicated</b>	<b>1.0 g/t</b>	<b>Hammerdown</b>	<b>1,023,700</b>	<b>9.16</b>	<b>301,600</b>
Inferred	1.0 g/t	Hammerdown	538,400	4.89	84,700
Inferred Intervein	1.0 g/t	Hammerdown	321,700	4.18	43,200
<b>Indicated</b>	<b>1.0 g/t</b>	<b>Orion</b>	<b>698,400</b>	<b>2.96</b>	<b>66,400</b>
Inferred	1.0 g/t	Orion	483,400	5.04	78,300
Total Measured	1.0 g/t	Hammerdown & Orion	284,600	11.75	107,500
Total Indicated	1.0 g/t	Hammerdown & Orion	1,437,500	5.64	260,500
<b>Total Measured &amp; Indicated</b>	<b>1.0 g/t</b>	<b>Hammerdown &amp; Orion</b>	<b>1,722,100</b>	<b>6.65</b>	<b>368,000</b>
Total Inferred (incl. Intervein)	1.0 g/t	Hammerdown & Orion	1,343,500	4.77	206,200

**Table 6. Hammerdown and Orion Underground Mineral Resource Summary**

Resource Classification	Cut-off	Deposit	Tonnes	Gold (g/t)	Gold oz
Measured	2.0 g/t	Hammerdown	3,800	9.74	1,200
Indicated	2.0 g/t	Hammerdown	30,000	9.36	9,000
<b>Measured &amp; Indicated</b>	<b>2.0 g/t</b>	<b>Hammerdown</b>	<b>33,800</b>	<b>9.41</b>	<b>10,200</b>
Inferred	2.0 g/t	Hammerdown	316,200	4.46	45,300
Inferred Intervein	2.0 g/t	Hammerdown	131,300	3.89	16,400
<b>Indicated</b>	<b>2.0 g/t</b>	<b>Orion</b>	<b>1,118,000</b>	<b>3.97</b>	<b>142,900</b>
Inferred	2.0 g/t	Orion	1,437,900	4.29	198,300
Total Measured	2.0 g/t	Hammerdown & Orion	3,800	9.74	1,200
Total Indicated	2.0 g/t	Hammerdown & Orion	1,148,000	4.11	151,900
<b>Total Measured &amp; Indicated</b>	<b>2.0 g/t</b>	<b>Hammerdown &amp; Orion</b>	<b>1,151,800</b>	<b>4.13</b>	<b>153,000</b>
Total Inferred (incl. Intervein)	2.0 g/t	Hammerdown & Orion	1,885,400	4.29	260,000

Key Assumptions, Parameters, and Methods related to the Mineral Resource Estimates:

1. Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards (2014). Mineral Resources that are not mineral reserves do not have demonstrated economic viability.
2. This estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
3. Open pit Mineral Resources are reported at a cut-off grade of 1.0 g/t gold that is based on a gold price of US\$1,500/oz.
4. Underground Mineral Resources are reports at a cut-off grade of 2.0 g/t gold that is based on a gold price of US\$1,500/oz.
5. Appropriate mining costs, processing costs, metal recoveries, and inter ramp pit slope angles were used to generate the pit shell.
6. Rounding may result in apparent summation differences between tonnes, grade, and contained metal content.
7. Tonnage and grade measurements are in metric units. Contained gold ounces are in troy ounces.
8. Composites completed at 0.5 m down the hole.
9. Contributing assay composites were capped at 125.00 g/t Au at Hammerdown and 23.88 g/t Au at Orion.
10. A specific gravity value of 2.84 was applied to all blocks.
11. Modeling for Hammerdown was performed use in GEOVIA Surpac 2019 software with grades estimated using ordinary kriging (OK) interpolation methodology. Orion modeling was performed using Datamine software with grades estimated using ordinary kriging (OK) interpolation methodology.



The Mineral Resource estimate is based on the combination of geological modeling, geostatistics and conventional block modeling using the Ordinary Krig method of grade interpolation. The geological model including mineralized intercepts was generated by Maritime personnel and then audited by WSP. The QA/QC protocols and corresponding sample preparation and shipment procedures have been reviewed by WSP.

The Hammerdown Mineral Resource estimate was based on 56,533 metres in 468 surface drill holes, 12,551 metres in underground drill holes and 110 surface trenches totaling 298 metres. The Orion Mineral Resource estimates are based on 15,357 metres in 56 surface drill holes.

At a long-term metal price of US\$1,500 per ounce, reasonable prospects are considered to exist for eventual economic extraction of Mineral Resources defined at a 1.0 g/t Au cut-off value within limits of the conceptual final pit shell prepared by AGP. Additional resources are considered to exist for eventual economic extraction of the Mineral Resource as defined at a 2.00 g/t Au cut-off below the conceptual pit shell. Additional information about the Mineral Resource modeling methodology is available in the Technical Report.

### **Mining Overview**

A combination of conventional, contractor operated open pit and underground mining at both the Hammerdown and the Orion deposits was selected as the basis for this PEA. Both open pits will utilize 5 metre high benches and a mobile fleet of 7.0 m<sup>3</sup> hydraulic excavators, 6.5 m<sup>3</sup> front end loaders and 55 tonne haul trucks, supported by 455 kW track dozers and graders to maintain pit floors, dumps and road surfaces. Pit slope angles applied to the pit designs included inter-ramp angles ranging from 48-55 degrees (65-70 degree bench face angles) and were based on the Company's geotechnical investigations during 2019. The mine designs and scheduling were engineered to provide a nominal 1,400 tpd of ROM feed to the sorting plant to produce 700 tpd of feed for the gold circuit. At Hammerdown a total of 1.88 Mt grading 4.23 gpt Au with 28.8 Mt of waste rock is expected to be moved over the LOM. A smaller satellite pit at the Orion deposit is expected to produce 0.58 Mt grading 2.38 gpt Au with 4.87 Mt of waste rock moved. Open pit dilution has been factored at 50%. Waste rock from both open pits will be stored in a waste storage facility located between the two pits, with a portion backfilled at the end of the mine life with reject material from the sorting plant.

Underground mining is envisioned at both the Hammerdown and Orion deposits. The mine design is based on utilizing narrow vein longhole open stoping to extract the mineralized veins, with stope widths varying between 1.5-3.0 metres. Sublevels were set at 16 metre intervals. Mineralized material will be extracted and hauled to surface where it will be transported to the sorting plant by the surface mine fleet. At Hammerdown the mine plan anticipates making use of some of the existing underground development below the open pit to provide access to the mineralization. Backfilling of open stopes will be completed using rock fill supplied with crushed, uniform reject material from the sorting plant. Over the LOM the total ROM production from the Orion underground workings includes 1.74 Mt of mineralized material grading 3.86 gpt Au from and 0.21 Mt of mineralized material grading 7.58 gpt Au from Hammerdown, respectively. A summary of the mine outputs is highlighted in Tables 7 and 8.

**Table 7. Hammerdown Open Pit and Underground Design**

Open pit mineralized tonnes (Mt)	1.88
Open pit Au grade (gpt)	4.23
Open pit Au ounces contained (oz)	256,100
Strip ratio (waste:mineralized)	15.3
Underground mineralized tonnes (Mt)	0.21
Underground Au grade (gpt)	7.58
Underground Au ounces contained (oz)	51,500



**Table 8. Orion Open Pit and Underground Design**

Open pit mineralized tonnes (Mt)	0.58
Open pit Au grade (gpt)	2.38
Open pit Au ounces contained (oz)	44,200
Strip ratio (waste:mineralized)	8.4
Underground mineralized tonnes (Mt)	1.74
Underground Au grade (gpt)	3.86
Underground Au ounces contained (oz)	216,600

**Pre-Concentrating**

A pre-concentration or “sorting” plant is planned for the Hammerdown site. Test work at multiple vendors throughout 2019 showed the mineralization containing pyrite and other sulphides is well suited to sorting methods, particularly utilizing laser and x-ray transmission (XRT) sensors to separate sulphide bearing particles from non-sulphide particles and dilution. The sorting plant is designed to receive a feed from the on-site crushing and screening facility. The sorting plant feed particles will be sized between 1/2” to 2 1/2” (+12.7-63.5mm) at a nominal rate of 1,400 tpd. Fines measuring 1/2” minus (-12.7mm) are directed to the load out storage building. Rejection rates and gold recovery through the sorting plant are expected to average 50% and 93% respectively over the life of the mine. These factors vary depending on the feed grade and can range from 30-60% rejection and 92-95% gold recovery. Rejects from the sorting plant will be stored adjacent to the plant and be used for back fill material for the underground mines. At the end of the mine life, it is currently planned to place this waste material back into the Hammerdown open pit for closure. A summary of the pre-concentration parameters is highlighted in Table 9.

**Table 9. Pre-Concentration (Sorting) and Process Parameters**

Sorting plant average throughput	1,400 tpd
Sorting plant feed size range	12.7-63.5 mm
Sorting plant mass pull range	30-50%
Sorting plant gold recovery	93-95%
Process plant average throughput	700 tpd
Process plant LOM Au recovery	97.0%

**Mineral Processing Overview**

Pre-concentrated material together with fines will be trucked from the Hammerdown Project site to the Nugget Pond mill located on the Baie Verte peninsula. The Nugget Pond mill was built in 1995 by Richmond Mines and operated as a gold plant for over 10 years, processing ore from both the former Nugget Pond and Hammerdown gold mines. Historical gold recoveries on Hammerdown mineralization at Nugget Pond were over 97.0% during past operations and recent metallurgical test work on new samples from Hammerdown confirmed gold recoveries of 97.0% can be expected through the whole-ore leach circuit. The metallurgical work shows that a fine grind (80% passing 60 microns) is necessary to achieve the high recovery rate, and the proposed additions to the existing Nugget Pond flowsheet including a new tertiary crushing circuit, fine ore storage and a new 10’x17’ 700kW ball mill will address this requirement. Refurbishment of the existing carbon-in-pulp (CIP) circuit is also proposed. A gold doré would be produced by the existing refinery. Tailings would be detoxified at the mill and then pumped to the existing Tailings Storage Facility (TSF), for disposal.





**Operating and Capital Costs**

A summary of the Combined Project’s operating and capital costs is highlighted in Tables 10 and 11 below.

**Table 10. Operating Costs**

Area	\$/t milled	US\$/oz
Open Pit Mining	78.73	243.08
Underground Mining	100.17	309.25
Crushing, pre-concentration	23.65	73.02
Mineral processing incl. haulage	49.75	153.59
Water management	1.81	5.58
General & administrative	4.84	14.94
Surface handling	1.00	3.09
<b>Total</b>	<b>259.95</b>	<b>802.55</b>

**Table 11. Capital Costs (\$M)**

Area	Initial (\$M)	Sustaining (\$M)
Mining	14.8	76.1
Pre-Concentration	11.9	
Mineral Processing	9.4	
Infrastructure, water management	3.0	0.5
NSR buyback, overheads	1.3	
Subtotal Direct Costs	40.4	
EPCM, Indirect & Owner’s Costs	8.1	
Closure Costs	2.1	0.4
Contingency	6.6	7.8
<b>Total</b>	<b>57.2</b>	<b>84.8</b>

**Environmental and Permitting Considerations**

Hammerdown is a closed and rehabilitated mine site with no outstanding legacy issues. The site will be appropriately managed and permitted as a new project in the Province. To accommodate the mine design contemplated by the PEA, updated environmental baseline studies and project permits will be required, many of which the Company has completed. The project benefits from several important features, the process tailings will be stored within an existing, off-site storage facility at the Nugget Pond site and preliminary geochemical testing on waste rock samples has shown it to be non-acid generating with no potential solute leaching that would cause concern for operations or on closure. Further tests are ongoing. The PEA site plan is designed to avoid wetlands and water courses and makes use of the existing network of roads in the area. During mine operations benign sorting rejects would be placed back into the underground mines as backfill or into the open pits for long term rehabilitation and closure.

**Project Opportunities and Value Enhancements**

The PEA demonstrates that Hammerdown has the potential to become an economically viable project. Additional opportunities to enhance project value and next steps include:

- Conversion of Inferred Resources to the measured and indicated categories through additional diamond drilling, sampling and grade control testing
- Optimizing the mine schedule and material movement
- Supplementary metallurgical optimizations including additional pre-concentration test work
- Geotechnical investigations to complement the current pit slope designs and underground openings



- Environmental baseline studies to support project permitting
- Further optimization of water management and infrastructure designs
- Potential for long term, sustainable use of waste rock as a construction aggregate material

### **Technical Report & Qualified Persons**

The Technical Report was filed on SEDAR on April 16, 2020 under the Company's profile. Readers are encouraged to read the Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the Mineral Resource. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. In accordance with NI 43-101, Larry Pilgrim, P.Geo. Project Manager for Maritime Resources, is the Qualified Person for the Company and has prepared, validated and approved the technical and scientific content of this MD&A.

Todd McCracken, P.Geo., Manager of Mining for WSP was responsible for the Mineral Resource estimate and the overall preparation of the PEA. Gordon Zurowski, P.Eng, Principal Mining Engineer for AGP, was responsible for mine capital and operating cost estimation and supervision of the mine design. Andy Holloway, P.Eng., Principal Mineral Process Engineer for AGP, was responsible for the metallurgical test work program and operating cost estimation and supervision of the process plant design. Robert Bowell, PhD, C.Chem, C.Geol, Corporate Consultant (Geochemistry and Geometallurgy) for SRK Consulting (UK), was responsible for the geochemistry program. Carolyn Anstey-Moore, M.Sc., M.A.Sc., P.Geo., Senior Environmental Geoscientist for GEMTEC Consulting Engineers and Scientists Limited., was responsible for the environmental baseline programs. Stacy Freudigmann, P.Eng., Principal at Canenco Consulting Corp., was responsible for the pre-concentration test work program and pre-concentration plant design and operating and capital cost estimation. Each of these individuals are independent Qualified Persons as defined by NI 43-101 and have reviewed and approved the contents of this MD&A.

The Company adheres to CIM Best Practices Guidelines in conducting, documenting, and reporting the exploration and development activities on its projects.

### **2020 OUTLOOK**

The Company has completed two financings during 2020 for total gross proceeds of \$12,205,000. The net proceeds are being used to expand and continue exploration on its mineral properties, complete a feasibility to support a development decision and advance the permitting process for the Hammerdown Gold Project as well as for working capital and general corporate purposes.

Maritime continues its planned diamond drill program at the Hammerdown Gold Project with two drill rigs which includes infill and grade control testing within the conceptual mine plan outlined in the recent Preliminary Economic Assessment as well as a number of pure exploration drill holes targeting several prospective areas for new high-grade discoveries and potential expansion of mineral resources. A total of 17,981 m of NQ drilling has been completed to date on the Hammerdown, Rumbullion and Orion gold deposits, as well as the Golden Anchor and accompanying Lochinvar high grade gold rich volcanic massive sulphide (VMS) zone. The Company has been releasing results as they are received and will continue to provide updates as the program progresses.

### ***Hammerdown Gold Project***

Several key activities were planned throughout 2020 to advance the project towards a production decision. A new PEA and technical report, including an updated resource estimate, were completed in early 2020. The study set the project concepts for more detailed analyses including open pit and underground mine designs, pre-concentration and mineral processing. A feasibility study is planned to commence by the third quarter of 2020 with anticipated completion during the second half of 2021.



Maritime continues to progress its environmental baseline studies and accelerate its engagement with the local communities and regulatory agencies to support the planned feasibility study and project permitting during 2020 and 2021. The final footprint of the proposed mine will be determined through various engineering studies and will endeavour to minimize environmental impact using industry best practices.

The Company submitted its Environmental Assessment Registration for the Hammerdown Gold Project with the Department of Municipal Affairs and Environment, Newfoundland and Labrador on July 8, 2020 and is available on the Company's website. This is the first official step in the Company's plan to fully permit the Hammerdown Gold Project, and project permitting will be advanced over the remainder of 2020 and 2021. On September 16, 2020, the Company received a decision from the Minister of Environment, Climate Change and Municipalities, Province of Newfoundland and Labrador, that an Environmental Preview Report (EPR) was required for the Project. The EPR is the next step in the provincial environmental assessment process. It requires the submission of additional information necessary to adequately address comments on the project registration document by regulatory agencies. Upon receipt and review of the EPR, a decision to release the project from environmental assessment will be made by the Environmental Assessment division of the Department of Environment, Climate Change and Municipalities.

On September 17, 2020, the Company announced it had exercised an early buy-down right of half of the Hammerdown deposit royalty held by Commander Resources Ltd. ("Commander") for a reduced sum of \$750,000. The original agreement had allowed Maritime to exercise this buy-down provision until commencement of commercial production for \$1,000,000. Commander continues to retain a 1% Net Smelter Return Royalty ("NSR") over the Hammerdown deposit and surrounding lands which excludes the satellite Orion Deposit. Allowed deductions include transportation costs and toll milling charges.

## ***2020 Exploration Plans***

### **Hammerdown Gold Project**

During 2020 Maritime's exploration activities have been focused on targets in and around the Hammerdown Gold Project, including the Orion satellite deposit, the Rumbullion, Golden Anchor and Lochinvar zones. Based on the PEA study and updated resource estimate, additional infill drilling continues within the conceptual mine plan with the goal to convert Inferred Mineral Resources to the higher confidence Measured and Indicated resource categories. A grade control NQ drill program is also being carried out within the conceptual mine plan to test short range continuity of the mineralization and reconcile against the resource model. The PEA study identified areas on surface for future waste rock storage. A condemnation drill program will be required in these areas to ensure any potential mineralization would not be sterilized by a waste rock stockpile.

In response to the global health risks resulting from the COVID-19 pandemic, the Company introduced a number of measures to protect employees, their families and surrounding communities. In preparation to commence its 2020 exploration programs, Maritime developed its COVID-19 protocols and procedures based on the provincial health authorities' protocols and obtained approval from Newfoundland and Labrador's Occupational Health and Safety Division. The health and wellbeing of the Company's workforce and the communities in which it operates is Maritime's top priority. The Company introduced a list of health and safety protocols including remote work wherever possible, self-assessment of COVID-19 symptoms, enhanced cleaning and hygiene practices, physical distancing of workers and the increased reliance on technology such as hosting virtual meetings. As part of the health and safety protocols, the Company also suspended all non-essential work at, and visits to, the Company's sites.

### **Regional Exploration**

Maritime's regional exploration activities in 2020 include drill testing of several prospective targets on the Green Bay Property including the Golden Anchor, Rendell Jackman and Sprucy Pond Trend. The Company is carrying out an extensive exploration program on the Whisker Valley Property to follow-up on the encouraging results from the



2019 work, with an initial 5,000 m diamond drilling program, which is in progress, to test the potential strike and depth extension of the high-grade Gary vein system and to test similar highly prospective gold bearing zones on the property. A total of 2,886 m of drilling has been completed to date. Several new high-grade areas of mineralization were identified on the Whisker Valley Project in 2019 through prospecting, soil sampling and trenching. An induced polarization (IP) survey is planned for the area covering the Gary vein system on the west side of the valley and the newly discovered mineralized boulder field on the east side of the valley. During the remainder of 2020, the Company intends to complete reconnaissance prospecting and soil sampling, along with lithochemical studies on the widespread base metal mineralization and associated gold anomalies on the Gull Ridge Property.

## **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 gold and base metal mineralization in the area. The properties were selected to target the gold potential along this significant regional structural belt, that has juxtaposed a wide variety of rock types originating from a variety of depositional environments. 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. 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 encouraging. The 2020 exploration program on the Whisker Valley Property is focused on determining the continuity of the Gary vein system to the Gold Pit showing a distance of approximately one kilometre to the east. The work entailed trenching, prospecting and diamond drilling. Additional drilling has been completed to the north and west of the Gary Vein system based on historical geochemical, geophysical data and 2020 trenching in the area. In 2019, Maritime carried out an extensive exploration plan, focused on advancing major gold targets identified to date and regional property wide exploration to identify new targets that may have been overlooked as a result of the patchwork nature of the historical work. The 2019 program entailed geological and structural mapping, sampling, ground geophysics, trenching and diamond drilling. In July 2019, the Company completed a regional 1,934 line-km and high-resolution airborne gradient magnetic and VLF survey over the Green Bay, Whisker Valley and Gull Ridge properties to enhance the regional geological model and identify prospective corridors and locations for the next phases of detailed ground exploration, including soil geochemical sampling and ground IP surveys.

### **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 km to the Southwest and the Lochinvar base-precious metal VMS deposit is located one km east of Hammerdown.

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

*Hammerdown 2019 - 2020 Drilling Programs*

Two diamond drill rigs are currently active at the Hammerdown Project completing the expanded, second phase 2020 10,000 m infill and step out exploration program on key targets at all deposits including Hammerdown, Orion and the historic Golden Anchor and Lochinvar VMS deposit. Highlights include:

**Hammerdown Gold Deposit**

- 9.46 gpt Au and 2.01 gpt Ag over 2.3 m, including 59.43 gpt Au and 45.90 gpt Ag over 0.4 m in drill hole MP-20-140
- 2.90 gpt Au and 1.24 gpt Ag over 31.0 m in drill hole MP-20-130
- 15.44 gpt Au and 1.39 gpt Ag over 4.71 m, including 354.8 gpt Au and 30.8 gpt Ag over 0.20 m in drill hole MP-20-113

**Orion Gold Deposit**

- High grade interval of 26.2 grams per tonne ("gpt") Au and 1.7 gpt Ag over 4.0 m, including 96.43 gpt Au and 5.97 gpt Ag over 1.1 m in newly identified structure in drill hole BB-20-116
- 1.78 gpt Au over 32.2 m, including 5.89 gpt Au over a width of 5.2 m starting 8.0 m below surface in drill hole BB-20-107
- 1.28 gpt Au and 0.24 gpt Ag over 25.8 m, including 3.93 gpt Au and 0.51 gpt Ag over 4.2 m in hole BB-20-99

**Lochinvar VMS Zone**

- 0.85 gpt Au, 150.9 gpt Ag, 0.73% Cu, 3.33% Pb and 7.62% Zn over 11.6 m, including 0.74 gpt Au, 210.7 gpt Ag, 2.03% Cu, 10.64% Pb and 23.83% Zn over 2.5 m in drill hole GA-20-25

Diamond drilling at the Orion deposit returned high grade gold values which are significantly higher than historical drilling in the area. Drill hole BB-20-116 intersected two sulphide rich quartz veins contained within a mafic schist zone that returned 26.2 gpt Au and 1.7 gpt Ag over a width of 4.0 m. Visible gold was noted in the mineralized core. It is not clear at this point if this high-grade intersection is the historical discovery zone or another parallel mineralized vein system. Further drilling is planned to determine the extent of the high-grade intersection. Earlier 2020 drilling at Orion also outlined two broader mineralized intersections than previously reported by historical drilling in the area. Drill hole BB-20-99 intersected 1.28 gpt Au and 0.24 gpt Ag over a width of 25.5 m, including 3.93 gpt Au and 0.51 gpt Ag over 4.32 m and drill hole BB-20-107 intersected a near surface interval of 1.78 gpt Au over 32.2 m, including 5.89 gpt Au over a width of 5.19 m. These wider mineralized intersections were a result of a more intense sampling protocol than historical work and serve to highlight the potential for wide sections of lower grade mineralized sections in the deposit that may be conducive to open pit mining.

Shallow, wide disseminated gold mineralization was encountered within Hammerdown's newly defined Wisteria Zone located within the Preliminary Economic Assessment (PEA) open pit mine plan including:

- 31.0 m @ 2.90 gpt Au and 1.24 gpt Ag in drill hole MP-20-130
- 25.2 m @ 1.62 gpt Au and 0.58 gpt Ag in drill hole MP-20-126
- 22.0 m @ 1.45 gpt Au and 0.38 gpt Ag in drill hole MP-20-127

Drilling below the PEA open pit mine plan encountered high-grade mineralization in drill hole MP-20-113 with 4.71 m @ 15.44 gpt Au and 1.39 gpt Ag, including 354.8 gpt Au and 30.1 gpt Ag over 0.20 m. Initial infill drilling at the Orion deposit intersected 7.62 m @ 2.25 gpt Au and 0.72 gpt Ag with visible gold in drill hole BB-20-98.

The Company's exploration programs at Hammerdown continue to demonstrate the high-grade nature of the Project, including the new Wisteria Zone where drilling has intersected wide intervals of gold and silver mineralization outside of the current mineral resource and within the PEA open pit shell. The results are encouraging and introduce a new chapter at the project that is different than the narrow vein system that is normally encountered.



The Wisteria Zone is a broad mineralized shear zone located near the juncture of the Captain Nemo and the Rumbullion Fault zones and has been redefined by more current drilling campaigns at Hammerdown. Mechanical trenching in 2020 by Maritime has exposed a strongly sheared and altered felsic/mafic volcanic assemblage with imbedded Quartz Feldspar Porphyry (QFP) and Hammerdown style quartz/sulphide veins along with broad zones of finely disseminated and mm scale veins all of which have returned significant gold grades. Drill results from MP-20-130, MP-20-126 and MP-20-127 returned 31.0 m @ 2.90 gpt Au and 1.24 gpt Ag, 25.2 m @ 1.62 gpt Au and 0.58 gpt Ag, and 22.0 m @ 1.45 gpt Au and 0.38 gpt Ag respectively.

Structural mapping is ongoing at the Wisteria trenching and further drilling is planned. The broad intersections are located on the south side of the PEA open pit design where the Captain Nemo and Rumbullion faults converge. To date there has been limited sampling in this area of the Project and the recent drill results present an exciting opportunity for a bulk tonnage resource in this area. These latest drill intercepts lie outside the PEA mineral resource and have consistent mineralization over tens of metres.

During the 2020 drill program, the fifth highest grade gold intersection ever recorded at the Hammerdown Gold Project, assaying 354.8 gpt Au over 0.20 m was reported in drill hole MP-20-113. This interval is interpreted to be a new vein located outside of the existing PEA mineral resource and below the open pit on the north side of the deposit. Further drilling is planned to follow up on this new high-grade interval.

To date a total of 17,981 m have been completed on the Hammerdown and accompanying deposits including 4 step-out exploration holes. The infill drilling targeted the Inferred Resource wireframes of both the Hammerdown and Rumbullion deposits within the conceptual mine pit shell. The results will be used to re-define and confirm the Inferred Mineral Resource shapes and convert to Measured and Indicated classifications. The infill drilling results intersected the extensive gold bearing vein system in both deposits. The Company's press releases from July 2020 onwards include drilling results and highlights combined with a discussion of the results.

The 2020 grade control holes were designed to define the continuity of near surface high-grade mineralization in the core of the proposed PEA conceptual open pit design. All holes were drilled from north to south on approximately 6 m spaced sections and 10 m spacing on the sections to follow the vein from surface down to 50 m depth, some holes being extended to intersect additional veins below. The grade control holes all intersected the veins at the targeted depth and many also intersected additional gold bearing veins above and/or below the targeted veins.

The 2019 infill program was completed with a total of 19 diamond drill holes for 3,562 m within the Hammerdown and Rumbullion deposit areas. The purpose of the 2019, and 2018, infill programs was to fill in specific gaps in the data in order to convert additional resources into the higher confidence Measured and Indicated Mineral Resource categories from Inferred.

The 2019 drilling of the Inferred Mineral Resources at the Hammerdown gold deposit was successful in defining the continuity of a number of the gold veins in the hanging wall and footwall to the historical mining, as well as continuity of the vein system below the mined-out areas. It is important to note as well that the 2019 drilling also intersected an intensely altered and mineralized unit referred to as a sheared felsic volcanic (SFV). The SFV unit was also sampled in the 2018 drilling campaign and returned gold grades up to 3.54 gpt Au over 2.63 m (see June 4, 2018 press release). These lower grade intersections are significant in that they are close to surface. Historically this unit was overlooked and was not included in the Mineral Resources and may add additional ounces to the current Hammerdown resource.



Program highlights included (for complete table of assay results and hole locations, see July 11, 2019 press release):

- 13.7 gpt Au over 1.2 m, including 18.0 gpt Au over 0.91 m in drill hole MP-19-64
- 21.2 gpt Au over 1.2 m, including 28.0 gpt Au over 0.9 m in drill hole MP-19-64
- 4.6 gpt Au over 4.8 m, including 15.1 gpt Au over 1.2m in drill hole MP-19-64
- 5.0 gpt Au over 2.4 m, including 54.6 gpt Au over 0.2 m in drill hole MP-19-58
- 3.5 gpt Au over 1.3 m, including 10.3 gpt Au over 0.5 m in drill hole MP-19-57
- 9.9 gpt Au over 1.4 m, including 33.4 gpt Au over 0.4 m in drill hole MP-19-50
- 10.0 gpt Au over 1.1 m, including 53.7 gpt Au over 0.2 m in drill hole MP-19-48
- 15.0 gpt Au over 1.3 m, including 24.3 gpt Au over 0.3 m in drill hole MP-19-66

*Reported core lengths represent 70-100% of true widths and are supported by well-defined mineralization geometries derived from historical drilling.*

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 two km 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 totalling \$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 (paid)	500,000 (issued)	75,000 (incurred)
September 17, 2020	100,000 (paid)	500,000 (issued)	150,000 (incurred)
September 17, 2021	125,000	500,000	375,000
	<b>300,000</b>	<b>2,000,000</b>	<b>600,000</b>

The Company completed prospecting, geochemical sampling and mapping at the King’s Point Property, mainly on both the historical target as well as new areas in 2019 and an airborne geophysics survey will be conducted in 2020.

On January 22, 2020, the Company entered into an option agreement to earn a 100% interest in the Sprucy Pond property (“Sprucy Pond”), which is contiguous to the Hammerdown project, under the following terms:

	Cash \$	Common shares #
Upon approval	10,000 (paid)	250,000 (issued)
March 10, 2021	20,000	250,000
March 10, 2022	30,000	250,000
	<b>60,000</b>	<b>750,000</b>

The 6.25 km<sup>2</sup> Sprucy Pond consists of 25 claim units owned by United Gold and G2B Gold Inc. on a 50/50% basis. Historical work on Sprucy Pond has uncovered abundant angular gold bearing quartz-pyrite float, bearing a strong resemblance to the Hammerdown high grade gold-quartz sulfide veins. With the Sprucy Pond option, the Company increases its land position a further 2.5 km east along the Hammerdown mineralized/structural trend.

The Sprucy Pond project is subject to a 1.0 % NSR of which 50% can be purchased for \$500,000.





### **Whisker Valley Project**

The Whisker Valley project is comprised of 33 licenses, 610 claim units and 15,250 hectares and is located 10 km northwest of the Company's high-grade Hammerdown Gold Project. In August 2019, the Company staked an additional 188 mineral claims, or 47 km<sup>2</sup>, both along strike to the northeast and to the southwest. The Company currently holds 216 square km<sup>2</sup> along a strike length of 31.5 km of the favourable geology that is host to numerous gold prospects and showings.

Two mineralized corridors define the abundance of gold mineralization discovered to date on the Whisker Valley Property, the Whisker Valley Trend and the Middle Arm Fault Trend. The Whisker Valley mineralized corridor occurs within a north-south trending erosional window exposing Burlington Granodiorite between rhyolitic and felsic tuffaceous units of the younger King's Point Volcanic Complex to the east and west. A significant number of gold bearing quartz veins and abundant mineralized float have been discovered along this north south corridor covering an area 3 km north-south by 1.5 km east-west. It is believed that the mineralized corridor continues further to the north and south along the exposed Burlington Granodiorite window.

The Gary gold-bearing quartz vein system is the most significant discovery to date on the property. Trenching has exposed the east-west trending vein system for a distance of 320 m and it remains open in both directions. Historical drilling and four holes completed by the Company in 2018 have tested the vein system to a vertical depth of 70 m beneath the trenched area and it remains open at depth. Several stacked quartz veins define the Gary Vein system along much of the 320 m long trenched area, with individual vein widths averaging between 0.3 m and 1 m. Total sulfide content varies between 10% and 30% and is dominated by pyrite with locally abundant chalcopyrite, galena and sphalerite. Systematic channel sampling along the Gary Vein trench have demonstrated continuity of significant gold mineralization along its 320-m exposed length and over potentially mineable widths. Visible gold has been discovered in numerous locations along the trenched area.

The Company is in the process of completing an initial 5,000 m 2020 diamond drilling program at the Whisker Valley Property to test the potential strike and depth extension of the high-grade Gary vein system and to test similar highly prospective gold bearing zones on the property, following up on the encouraging results from work completed in 2019. A total of 2,886 m of drilling has been completed to date. The drilling focused on extending the Gary Vein system to the east toward the Gold Pit showing, while additional drillholes were targeted to test geochemical and geophysical anomalies with accompanying historical showings to the west and north of the Gary Vein system. Trenching has been completed in the areas of the Gold Pit showing where historical work exposed high grade veins similar to the Gary Vein system one kilometre to the west. Other trenches were completed north of the Gary Vein system testing coincident geochemical and geophysical anomalies in areas of known showings.

Exploration work over the past two of years has resulted in applying a new model to the gold mineralization at the Whisker Valley Property. Observations by outside consultants, as well as the Company's in-house exploration team have determined that the broad mineralized gold system at the Gary Vein area may be a related to a large porphyry intrusion with accompanying gold/base metal mineralization and accompanying alteration haloes. Property scale litho-geochemical studies are planned to advance this model.

The Company is currently completing a property scale airborne geophysical program which includes VTEM and ZTEM surveys. The surveys are deep seeking and will accumulate the electrical properties of the underlying rock which may highlight anomalous areas of massive sulphide style mineralization and deep structures that may be related to a VMS or porphyry style mineralization.

In 2019, Maritime's prospecting team identified a significant new mineralized boulder field located approximately 1.2 km east of the exposed Gary Vein system. A total of 30 angular float samples returning assays between 1.0 and 83.8 gpt Au (average 15.45 gpt Au) were collected in this area and resemble Gary Vein-style mineralization. However, based on the angularity of the float samples, it is believed that they were locally derived and represent an undiscovered proximal bedrock source.



The epigenetic gold-bearing quartz veins at Whisker Valley are of similar style to that seen at Hammerdown. The east-west trend of the Gary quartz vein system and other veins identified along the Whisker Valley mineralized corridor are identical to the trend of the strongest gold vein development at Hammerdown and represents a new target direction to explore for gold deposits in this region.

The Middle Arm Fault mineralized corridor forms an approximate 10 km long by 1 km wide northeast trending curvilinear belt extending northeastward from the west-central part of the property at Micmac Lake. The Micmac-Flatwater Fault and Middle Arm Fault appear to define the northwest boundary of the mineralized corridor. Historical exploration has identified significant gold mineralization along this trend with the majority of the work being focused along the eastern side of Micmac Lake. Abundant gold bearing quartz-sulfide veins, high grade mineralized float and significant coincident gold-in-soil and geophysical anomalies occur in this area.

In 2019, the Company completed an extensive soil sampling program which resulted in the discovery of a 1.6 km long by 0.4 km wide gold-in-soil anomaly located south of Strugglers Pond and within the Middle Arm Fault mineralized corridor. A trenching program was carried out to locate the bedrock source of the gold-in-soil anomaly. Trench 12, located at the western end of the soil anomaly, was successful in exposing a portion of the Middle Arm fault comprising of brecciated granodiorite and pyritized quartz veins at this location. Channel sampling across the zone returned 2.27 gpt Au over 3.1 m.

Gold mineralization discovered to date along the Middle Arm Fault mineralized corridor occurs within north-northeast trending quartz-sulfide veins and associated brecciated zones hosted by mafic volcanic units of the Micmac Lake Group and by the Burlington Granodiorite. A 2011 drill hole conducted by an earlier operator in the Micmac Lake area discovered a new gold zone that returned 3.15 gpt Au over 3.2 m within a mafic dominated breccia zone containing pyrite, galena, sphalerite and chalcopyrite mineralization. In addition, a narrow quartz vein located above the breccia zone and drilled partially down dip returned 14.23 gpt gold over 1.2 m. Both these intersections are within a 2.4-metre core length of each other and are separated by a mafic dyke. This zone has only seen one drill hole to date.

The Whisker Valley Property exhibits significant gold discovery potential. Maritime has a drilling and trenching dominated exploration program in progress, focusing on: 1) the Gary Vein system, 2) the significant number of under-explored gold targets identified to date on the property and 3) outward exploration to locate new gold targets.

#### *Whisker Valley Geophysical Program*

A detailed Induced Polarization (IP) program was completed at Whisker Valley in March of 2018. Approximately 15-line km of surveying was completed on 50 m 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 them 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 km on 50 m 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 m target area. This survey demonstrated anomalous values over the entire length of the known vein system and further extends the target area 200 m to the east and 100 m 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 m long Gary Vein and extends for further 150 m to the east, likely due to the presence of sulphides which is associated with gold at the Gary Vein.



In March 2019, a walking magnetic survey was completed over the immediate areas of the Gary Vein trench. The detailed survey indicated the relationship of the mineralized veins to magnetic rock units interpreted to be magnetic mafic dykes. The new magnetics also defined previously unknown fault structures that influence the vein extensions.

#### *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 (paid)	250,000 (issued)	300,000 (incurred)
March 22, 2021	75,000	300,000	500,000
March 22, 2022	100,000	500,000	500,000
	<b>300,000</b>	<b>1,500,000</b>	<b>1,650,000</b>

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 December 1, 2017, the Company also added to the Whisker Valley project by entering into an option 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 (paid)	25,000 (issued)	50,000 (incurred)
December 27, 2020	15,000	50,000	120,000
	<b>30,000</b>	<b>100,000</b>	<b>200,000</b>

The Company exercised its option in full 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 (paid)	250,000 (issued)
	<b>40,000</b>	<b>750,000</b>

The Strugglers Pond and El Strato 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 significantly underexplored target area for base and precious metals. During the 2019 exploration season Maritime completed a comprehensive compilation of all historical exploration data over the Gull Ridge Property area. Field work in 2019 consisted of field mapping, prospecting and focused geochemistry.

### **FINANCIAL POSITION**

#### **Cash**

Cash totaled \$8,738,825 as at September 30, 2020, compared to \$1,827,157 as at December 31, 2019. The increase in cash was mainly due to bought deal private placement financing which closed in August 2020 partially offset by expenditures on the Company's exploration activities and the Hammerdown project feasibility study and permitting activities, corporate general and administrative expenses. The Company's Canadian cash are held on deposit or in highly liquid, fully redeemable Guaranteed Investment Certificates with a major Canadian bank.

#### **Receivables**

Receivables of \$331,031 as at September 30, 2020, compared to \$161,546 as at December 31, 2019 related mainly to input sales tax.

#### **Property and equipment**

##### *Vehicles*

During the year ended December 31, 2019, the Company purchased two vehicles for use at its exploration properties for a total expenditure of \$30,451 less accumulated amortization expense of \$11,842 resulting in a carrying book value of \$18,609 at September 30, 2020.

##### *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 and was reduced by \$32,036 during the three month period ended September 30, 2019 due to a reduction in future monthly lease payments. The Company's office lease was terminated on March 31, 2020, the lease liability was reduced to \$nil and there are no further obligations under the lease.

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 which 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. During the three and nine month periods ended September 30, 2020, the Company incurred operating lease costs of \$16,286 (2019 – \$15,826) and \$48,859 (2019 – \$37,576), respectively, for an office lease not included in lease liabilities.

**Mineral properties**

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

	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Total \$
<b>Balance, December 31, 2018</b>	<b>7,154,416</b>	<b>586,428</b>	-	<b>7,740,844</b>
Acquisition costs – cash	50,765	80,320	3,870	134,955
Acquisition costs – shares	42,500	39,750	-	82,250
Exploration expenses:				
Drilling and assaying	851,326	141,910	7,329	1,000,565
Geology	710,573	773,197	32,570	1,516,340
Property	52,257	-	-	52,257
Geophysics	217,863	65,765	25,238	308,866
Pre-feasibility study update	1,155,555	-	-	1,155,555
	3,080,839	1,100,942	69,007	4,250,788
Less: Recoveries and grants	(65,250)	-	-	(65,250)
Net additions	3,015,589	1,100,942	69,007	4,185,538
<b>Balance, December 31, 2019</b>	<b>10,170,005</b>	<b>1,687,370</b>	<b>69,007</b>	<b>11,926,382</b>
Acquisition costs – cash	860,500	50,000	-	910,500
Acquisition costs – shares	98,750	13,750	-	112,500
Exploration expenses:				
Drilling and assaying	1,663,103	14,151	-	1,677,254
Geology	629,295	181,177	-	810,472
Property	36,939	6,620	-	43,559
Pre-feasibility study update	884,828	-	-	884,828
	4,173,415	265,698	-	4,439,113
Less: Recoveries and grants	(82,800)	-	-	(82,800)
Net additions	4,090,615	265,698	-	4,356,313
<b>Balance, September 30, 2020</b>	<b>14,260,620</b>	<b>1,953,068</b>	<b>69,007</b>	<b>16,282,695</b>

During the nine month period ended September 30, 2020, the Company received \$82,800 (2019 - \$65,250) pursuant to an application made with the Government of Newfoundland and Labrador in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program (JEAP) grant for exploration conducted during 2019 and 2018, respectively.

**Accounts payable and other liabilities**

As at September 30, 2020, accounts payable and accrued liabilities were \$1,458,868 (December 31, 2019 – \$453,070) and relate mainly to activities at the Company's exploration projects during the period.

**Private placements and flow-through premium liability**

- On August 21, 2020, the Company closed a "bought deal" private placement and issued 43,367,550 common shares of the Company at a price of \$0.15 per common share, and 11,000,000 common shares issued on a flow-through basis at a price of \$0.20 per flow-through share for aggregate gross proceeds of \$8,705,133. The flow-through shares were issued at a premium of \$550,000.

The private placement was completed by a syndicate of underwriters led by Sprott Capital Partners LP ("Sprott") and including Dundee Goodman Merchant Partners, Industrial Alliance Securities Inc., Canaccord Genuity Corp., Cormark Securities Inc., Stifel GMP and Raymond James Ltd. Dundee Resources Limited, an affiliate of Dundee Goodman Merchant Partners and an "interested party" of the Company, subscribed for 9,455,000 common shares under the offering for an aggregate subscription price of \$1,418,250. A cash finder's fee was paid and 1,013,208 broker warrants were issued, to Dundee Goodman Merchant Partners. As a result of the closing of the private placement,



Dundee Resources Limited now owns 55,743,419 common shares of Maritime, representing an approximate 18.47% interest on an undiluted basis.

In connection with the closing of the private placement, the Company paid a cash fee of 6% totalling \$496,181 of the aggregate gross proceeds raised pursuant to the offering, with the exception of certain proceeds from the sale of the securities to certain specified persons. The Company issued an aggregate of 3,087,873 non-transferable broker warrants, with each broker warrant being exercisable into one common share at a price of \$0.15 per share until August 21, 2022 and fair valued at \$275,280. Legal, regulatory and other cash costs associated with the private placement totalled \$258,975. The net proceeds are being used by the Company to continue exploration and progress towards development of the Hammerdown Gold Project, as well as for working capital and general corporate purposes.

- On May 14, 2020, the Company closed a non-brokered private placement raising aggregate gross proceeds of \$3,500,000 through the issuance of a combination of common shares at a price of \$0.06 per common share and flow-through shares at a price of \$0.065 per flow-through share. The Company issued a total of 21,626,666 common shares and 33,883,076 flow-through shares pursuant to the private placement. The flow-through shares were issued at a premium of \$169,415. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability has been reduced to \$nil and \$169,415 was recognized into income during the nine month period ended September 30, 2020. The net proceeds were used by the Company to continue exploration and progress towards development of the Hammerdown Gold Project, as well as for working capital and general corporate purposes.

Dundee Goodman Merchant Partners (“DGMP”), a division of Goodman & Company, Investment Counsel Inc., Sprott and Canaccord Genuity Corp. (“CG”), acted as advisors to the Company. The Company agreed to pay aggregate finders’ and advisory fees of up to 5% in cash of the gross sales of common shares and flow-through shares. An aggregate of 666,864 common shares were issued to SCP as commission. The cash finders’ and advisory fees amounted to an aggregate of \$94,518, including \$28,069 to DGMP, \$16,449 to CG, \$15,000 to EDE Asset Management and \$35,000 to Laurentian Bank Securities Inc. Legal, regulatory and other cash costs associated with the private placement totalled \$68,877.

Dundee Resources Limited, an affiliate of DGMP and an “interested party” of the Company, and affiliates of Sprott who may be considered “interested parties” of the Company, each subscribed for common shares and flow-through shares under the private placement. Dundee Resources Limited subscribed for 9,356,383 common shares having a subscription price of \$561,383 and affiliates of Sprott subscribed for 5,337,283 common shares and 15,692,308 flow-through shares having an aggregate subscription price of \$1,340,237. Following the closing of the offering, Dundee Corporation’s wholly owned subsidiary, Dundee Resources Limited, owned 46,288,419 common shares of Maritime, representing an approximate 18.83% interest, at that time; and Sprott, including its affiliates, owned 30,353,968 common shares of Maritime, representing an approximate 12.3% interest, at that time. DGMP was paid finders’ and advisory compensation and SCP was issued common shares as commission as outlined above.

- Pursuant to a non-brokered private placement on April 24, 2019, the Company issued 36,755,000 units at a price of \$0.10 per unit and 20,141,662 flow-through units at a price of \$0.12 per flow-through unit for gross proceeds of \$6,092,500.

Each unit consisted of one common share and one-half of one transferable common share purchase warrant (“Warrant”). Each whole Warrant 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 “NFT Warrants”). Each FT Unit consisted of one common flow-through share and one half of one transferable common share purchase warrant (“FT Warrant”). Each whole FT Warrant entitles the holder to acquire one non flow-through 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 “FT Warrants”).





The flow-through shares were issued at a premium of \$402,833. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability has been reduced to \$nil and the remaining \$15,612 was recognized into income during the nine month period ended September 30, 2020.

The Company paid aggregate finders' and advisory fees to certain brokers of \$412,909 and 3,863,294 finders' warrants valued at \$126,562, including \$156,532 and 1,563,273 finders' warrants to DGMP. As an advisor, Spratt 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 owned 36,932,036 shares of Maritime, representing an approximate 19.54% interest, at that time.

The fair value attributed to the finders' warrants was determined using the Black-Scholes valuation model using the following assumptions: Risk free interest rate of 1.63%, expected life of two years, and volatility rate of 80.56%. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per finders' warrant share for a period of 24 months following the closing date of the Offering.

<b><i>Flow-through premium liability</i></b>	<b>\$</b>
<b>Balance – December 31, 2018</b>	<b>128,738</b>
Flow-through premium liability additions	402,833
Settlement of flow-through premium to income	(483,972)
<b>Balance – December 31, 2019</b>	<b>47,599</b>
Flow-through premium liability additions – May 2020	169,415
Flow-through premium liability additions – August 2020	550,000
Settlement of flow-through premium to income	(217,014)
<b>Balance – September 30, 2020</b>	<b>550,000</b>

#### **Shares issuances related to property option agreements**

During the nine month period ended September 30, 2020, the Company issued 500,000 common shares valued at \$82,500 in connection with the Inomin property; 250,000 common shares valued at \$16,250 in connection with the Sprucy Pond property and 250,000 common shares valued at \$13,750 in connection with the Whisker Valley Property. During the year ended December 31, 2019, the Company issued 500,000 common shares, valued at \$42,500 in connection with the Inomin property; 200,000 common shares, valued at \$19,000, in connection with the Whisker Valley Property; 250,000 common shares, valued at \$18,750, in connection with the El Strato property; and 25,000 common shares, valued at \$2000, in connection with the Strugglers Pond property.

#### **Warrant and stock option exercises**

The Company issued 1,642,062 (2019 – nil) common shares upon the exercise of warrants. Cash proceeds of \$198,380 (2019 – \$nil) were received and the fair value of the exercised warrants of \$57,641 (2019 – \$nil) was transferred from reserves to share capital during the nine month period ended September 30, 2020.

The Company issued 425,000 (2019 – nil) common shares upon the exercise of stock options. Cash proceeds of \$42,500 (2019 – \$nil) were received and the fair value of the exercised options of \$30,359 (2019 – \$nil) was transferred from reserves to share capital during the nine month period ended September 30, 2020.

#### **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.

## RESULTS OF OPERATIONS

	Three months ended September			Nine months ended September 30		
	2020	2019	Change	2020	2019	Change
	\$	\$	\$	\$	\$	\$
<b>Expenses</b>						
Salaries and benefits	180,894	140,728	(40,166)	492,680	372,362	(120,318)
Severance	-	108,000	108,000	-	992,497	992,497
Administration	40,550	42,426	1,876	131,892	194,809	62,917
Business development	-	-	-	200,000	-	(200,000)
Consulting	8,550	-	(8,550)	11,410	28,000	16,590
Professional fees	62,090	13,425	(48,665)	83,747	60,849	(22,898)
Directors’ fees and expenses	19,925	19,981	56	59,853	57,574	(2,279)
Investor relations and promotion	63,379	106,012	42,633	207,996	151,282	(56,714)
Share based payment	100,931	6,523	(94,408)	463,963	327,011	(136,952)
Depreciation	2,538	3,814	1,276	22,550	46,502	23,952
Interest expense on lease liability	-	(750)	(750)	138	2,834	2,696
	(478,857)	(440,159)	(38,698)	(1,674,229)	(2,233,720)	559,491
Interest income	6,405	25,641	(19,236)	16,532	54,090	(37,558)
Flow-through premium liability	140,749	211,006	(70,257)	217,014	355,551	(138,537)
<b>Loss for the period</b>	<b>(331,703)</b>	<b>(203,512)</b>	<b>(128,191)</b>	<b>(1,440,683)</b>	<b>(1,824,079)</b>	<b>383,396</b>

For the three and nine month period ended September 30, 2020, the Company incurred a loss and comprehensive loss in the amount of \$331,703 (2019 – \$203,512) and \$1,440,683 (2019 – \$1,824,079), respectively.

On March 12, 2020, the Company entered into a LOI with Rambler Metals and Mining Canada Ltd., a wholly-owned subsidiary of Rambler. The LOI includes an exclusivity period of twelve months to evaluate Rambler’s Nugget Pond Gold Plant for the purpose of processing feed from the Hammerdown Gold Project and to complete a feasibility study with the option to negotiate a purchase agreement during that time. In consideration Maritime advanced a deposit of \$200,000 to Rambler.

During the three and nine month periods ended September 30, 2020, the Company incurred \$16,286 (2019 – \$15,826) and \$48,859 (2019 – \$37,576), respectively, for an office lease included in Administration in the statement of loss and comprehensive loss and not included in lease liabilities.

During the nine month period ended September 30, 2020, the Company granted 6,700,000 (December 31, 2019 – 4,850,000) stock options to directors, officers, consultants and employees of the Company, of which 6,437,500 (December 31, 2019 – 4,650,000) have vested and the remaining 262,500 (December 31, 2019 – 200,000) unvested stock options will vest by one-third every three months, for nine months. The fair value of the stock options granted as determined by the Black-Scholes pricing model was \$473,788 (December 31, 2019 – \$332,743) or \$0.09 (December 31, 2019 – \$0.07) per option. Share based payments recognized during the nine months ended September 30, 2020 of \$463,963 (2019 – \$327,011). During the nine month period ended September 30, 2020, 200,000 (December 31, 2019 – 495,000) stock options were forfeited, cancelled or expired resulting in a reversal of \$10,769 (December 31, 2019 – \$102,291) from reserves to deficit. The total fair value of unvested options that will



be recognized in the statement of loss in future periods amounts to \$9,825 at September 30, 2020 (December 31, 2019 – \$2,395).

Pursuant to qualifying flow-through expenditures incurred during the three and nine month periods ended September 30, 2020, the flow-through premium liability was reduced by \$140,749 (2019 – \$211,006) and \$217,014 (2019 – \$355,551), respectively, 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.

	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
in thousands, except per share amounts	2020	2020	2020	2019	2019	2019	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss:								
(i) in total	(332)	(680)	(429)	(182)	(204)	(516)	(1,104)	(597)
(ii) per share <sup>(1)</sup>	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)
Cash	8,739	3,200	600	1,827	3,444	5,444	955	2,359
Exploration and evaluation assets	16,283	13,282	12,668	11,926	10,728	8,871	8,140	7,741
Debt	nil	nil	nil	nil	nil	nil	nil	nil
Deficit	(10,949)	(10,629)	(9,948)	(9,519)	(9,347)	(9,144)	(8,721)	(7,616)

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

Maritime's loss in each period primarily reflects the level general and administrative expenses. Cash balances fluctuated as a result of the various financings, combined with expenditures in the periods. 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:

	Three month period ended September 30 2020	Three month period ended September 30 2019	Nine month period ended September 30 2020	Nine month period ended September 30 2019
	\$	\$	\$	\$
Salaries	154,489	139,443	439,209	360,053
Consulting	-	-	-	28,000
Contract wages	-	-	-	26,000
Directors' fees	17,500	17,500	52,500	52,500
Geological consulting	-	-	-	54,617
Share based payments	64,240	-	294,027	230,233
Severances	-	108,000	-	992,497
	236,229	264,943	785,736	1,743,900



At September 30, 2020, the Company included in accounts payable and accrued liabilities \$17,500 (2019 – \$17,500) of directors' fees payable to the members of board of directors of the Company. During the nine months ended September 30, 2019, the Company made management changes resulting in the Company paying 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. In addition, the Company paid Mr. Bernard Kahlert, P.Geo., who served as Vice President of Exploration for the Company, a sum of \$108,000 upon his retirement.

### Related-party transactions

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related by virtue of having directors, as well as the Chief Financial Officer and Corporate Secretary in common.

	<b>Three month period ended September 30 2020 \$</b>	Three month period ended September 30 2019 \$	<b>Nine month period ended September 30 2020 \$</b>	Nine month period ended September 30 2019 \$
Rent	<b>16,286</b>	15,826	<b>48,859</b>	37,576
Office administration	<b>1,319</b>	1,133	<b>3,926</b>	3,028
	<b>17,605</b>	16,959	<b>52,785</b>	40,604

### 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 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.

On August 21, 2020, the Company completed a "bought deal" private placement of a combination of 43,367,550 common shares of the Company at a price of \$0.15 per common share, and 11,000,000 common shares issued on a flow-through basis at a price of \$0.20 per FT Share for aggregate gross proceeds of \$8,705,132.50. The gross proceeds from the sale of the FT Shares are being used for "qualifying expenditures" (as defined in the Income Tax Act (Canada)) and the net proceeds from the sale of the common shares will be used for general corporate and working capital purposes.

### Working Capital

The Company had \$7,754,950 in working capital as at September 30, 2020 (December 31, 2019 – \$1,645,470) (see "Non-IFRS Measures"). As at September 30, 2020, the Company had no debt, did not have any unused lines of credit or other arrangements in place to borrow funds, and had 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 \$1,209,268 for the nine month period ended September 30, 2020, compared to \$1,529,187 in the same period of 2019.

### **Financing Activities**

Financing activities resulted in cash inflows of \$11,514,115 from the issuance of shares partially offset by repayment of lease liabilities during the nine months ended September 30, 2020, compared to cash inflows of \$5,570,173 in the same period of 2019.

### **Investing Activities**

Investing activities, relating predominantly to exploration and evaluation expenditures on the Company's exploration properties, resulted in cash outflows of \$3,393,179 during the nine month period ended September 30, 2020 (2019 – \$2,955,992).

## **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 September 30, 2020. 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. Receivables are due from a government agency.

### **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 September 30, 2020, the Company had cash totalling \$8,738,825 (December 31, 2019 – \$1,827,157) to settle accounts payable and accrued liabilities of \$1,458,868 (December 31, 2019 – \$453,070). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.



As at September 30, 2020 and December 31, 2019, 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.

**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.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The discussion and analysis of Maritime's financial condition and results of operations are based upon its financial statements, which are prepared in accordance with IFRS. The preparation of the financial statements requires the Company to make estimates and judgements that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates under different assumptions or conditions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in more detail in the Company's financial statements for the year ended December 31, 2019, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

**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, 2019 filed on [www.sedar.com](http://www.sedar.com).



## DISCLOSURE OF SECURITIES OUTSTANDING

As at November 26, 2020, 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
<b>Common shares</b>			<b>311,951,233</b>
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	2,075,000
Common share purchase options	06-Dec-2023	\$ 0.11	4,805,000
Common share purchase options	18-Jun-2024	\$ 0.10	4,650,000
Common share purchase options	20-May-2025	\$ 0.085	5,650,000
Common share purchase options	16-Jun-2025	\$ 0.095	350,000
Common share purchase options	10-Sep-2025	\$ 0.17	700,000
<b>Common share purchase options</b>			<b>21,230,000</b>
Common share purchase warrants	12-24-Apr-2021	\$ 0.15	28,448,333
<b>Common share purchase warrants<sup>(1)</sup></b>			<b>28,448,333</b>
Finders' warrants	12-24-Apr-2021	\$ 0.15	3,863,294
Finders' warrants	21-Aug-2022	\$ 0.15	3,087,873
<b>Finders' warrants<sup>(2)</sup></b>			<b>6,951,167</b>

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

<sup>(2)</sup> 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	September 30, 2020	December 31, 2019
	\$	\$
Current assets		
Cash	8,738,825	1,827,157
Receivables	331,031	161,546
Prepaid expenses	143,962	120,199
	<b>9,213,818</b>	<b>2,108,902</b>
Current liabilities		
Accounts payable and accrued liabilities	(1,458,868)	(453,070)
Lease liability	-	(10,362)
Working capital	<b>7,754,950</b>	<b>1,645,470</b>



## **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.

## **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 Preliminary Economic Assessment 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; global financial conditions, including market reaction to the coronavirus outbreak; 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, availability or interruption of power supply, mechanical equipment performance problems, natural disasters or pandemics 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.