



**MARITIME RESOURCES**

**MARITIME RESOURCES CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the three month period ended March 31, 2022**

(Expressed in Canadian dollars)



This Management's Discussion and Analysis ("MD&A") of Maritime Resources Corp. ("Maritime" or the "Company") is dated May 26, 2022 and provides an analysis of our interim financial results for the three month periods ended March 31, 2022 and 2021. This MD&A should be read in conjunction with Maritime's condensed interim consolidated financial statements and notes thereto for the three month periods ended March 31, 2022 and 2021 (the "Financial Statements") and the audited financial statements for the year ended December 31, 2021, 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, 2021, 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 the past producing Hammerdown gold mine, located near the Baie Verte Mining District and Springdale in Newfoundland and Labrador as well as exploration on its other properties in the region. Of the total Maritime property of 39,100 hectares, the Company holds a 100% interest in 37,050 hectares, or 95%, with the remaining 2,050 hectares, or 5%, 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.

#### **Q1 2022 AND RECENT HIGHLIGHTS**

- Maritime continues to progress its feasibility study for the Hammerdown Gold Project, including resource modeling, mine and process plant designs and site planning for key infrastructure and water management facilities. The study is expected to be completed mid-year 2022.
- Subsequent to March 31, 2022, sold a portion of its Nomad marketable securities for gross proceeds of \$871,562.
- Maritime completed a new mineral resource estimate for the Lac Pelletier project located in Rouyn Noranda, Québec on May 11, 2022.
- Completed 1,123 meters ("m") of diamond drilling in 6 drillholes of its planned 3,000-m winter program during the first quarter of 2022.
  - Five holes totaling 864 m were drilled in the Golden Anchor/Beetle Pond area to test a 300-m-long anomalous gold in soils target. Hole GA-22-46 intersected a narrow quartz/base metal vein with visible gold that returned 150.37 grams per tonne ("gpt") gold over 0.20 m. All holes intersected narrow quartz/sulphide veins in the hanging wall to the Lochinvar VMS horizon verifying a possible north-south trend to the Golden Anchor Vein system.
- Exercised its option to acquire a 100% interest in mineral licenses optioned from various prospectors in the Whisker Valley Project area on March 22, 2022.
- Exercised its option to acquire a 100% interest in the Spruce Pond mineral licenses on March 10, 2022.
- Sold its royalty interests in a number of Canadian exploration projects in Québec, British Columbia and Ontario for US\$1,000,000 on January 21, 2022.

#### **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. The Green Bay Property hosts the former producing Hammerdown gold mine. Maritime also has a number of highly prospective gold exploration projects



including the Whisker Valley and Gull Ridge properties, which are contiguous with the Green Bay Property, strategically located on the Baie Verte and Springdale Peninsulas, a prolific gold and base metals mining district.

The Whisker Valley Property hosts earlier stage exploration targets that have returned excellent results from the first phase trenching and geophysical programs carried out in late 2017. Further widespread mapping, prospecting, trenching, diamond drilling and geochemical surveys were completed on the Whisker Valley Property as discussed in the Property Geology and Exploration Potential section below.

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 gold, recovering a total of 143,000 ounces of gold at an 8 gpt gold cut-off grade. All of the ore was processed at the Nugget Pond mill, 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). On September 17, 2020, the Company exercised an 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. The Newfoundland and Labrador Environmental Assessment Division released the Hammerdown Gold Project from Environmental Assessment on May 10, 2021. The Company is currently advancing a feasibility study for the Hammerdown Gold Project and expects the study to be completed mid-year 2022.

The Company intends to raise funding through debt financing, equity issuances, sales of marketable securities, royalties or asset sales, or a combination thereof within three months.

#### **Nugget Pond Gold Plant and Other Assets Acquisition**

On April 12, 2021, pursuant to the terms of an asset purchase agreement, the Company acquired the Nugget Pond gold plant in the Baie Verte mining district of Newfoundland and Labrador, the Lac Pelletier gold project in Rouyn Noranda, Québec and several other exploration properties and royalty interests in key mining camps across Canada (collectively, the "Assets") from two subsidiaries of Rambler Metals and Mining PLC, namely Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc. (together, "Rambler") (the "Acquisition"). The consideration paid by the Company for the Assets was comprised of the assumption of certain liabilities associated with the Assets, a payment of US\$2,000,000 in cash, and the issuance of the number of common shares of the Company equal to \$500,000, based on the 30-day volume weighted average price of the common shares as of the closing date of the acquisition, representing 3,571,428 common shares issued at a price of \$0.14 and having a value of \$660,714 based on the closing share price of Maritime on April 12, 2021. In addition, a deposit of \$200,000 was paid to Rambler on March 12, 2020. Sprott Capital Partners LP ("Sprott") acted as advisor to Maritime in connection with the acquisition and were issued 400,000 common shares of the Company in consideration for such services.

The Company also assumed a reclamation liability associated with Nugget Pond gold plant assets in their current non-operating state of \$718,750. The Company incurred transaction costs of \$315,765 in addition to the deposit of \$200,000 paid to Rambler on March 12, 2020 totaling \$515,765 and included \$82,000 for the non-cash value of the 400,000 common shares issued for advisory services.

The assets acquired include:

- Nugget Pond gold circuit – an existing carbon-in-pulp leach plant that last operated in 2012 and was previously used to process ore from the Hammerdown mine. The gold circuit is located within an active copper processing and tailings storage complex currently operated by Rambler. As part of the feasibility study, Maritime will



determine the optimal configuration to operate both the Nugget Pond gold circuit and copper concentrator concurrently and independently without any impact on Rambler's current operations. Certain matters related to the access and use of the gold circuit remain subject to final agreement.

- Lac Pelletier gold property – located in Rouyn Noranda, Québec approximately five km south of Glencore's Horne smelter and three km north of the Cadillac Larder-Lake Break in the Abitibi Greenstone Belt.
- A portfolio of Canadian mineral exploration properties and currently non-producing royalty interests including the Gold Hawk property (2% NSR) and Valdora property (1% NSR) near Val-d'Or, Québec in the Abitibi Greenstone Belt.

### **Sale of Royalty Interests**

On January 21, 2022, Maritime sold its royalty interests in a number of Canadian exploration projects in Québec, British Columbia and Ontario to Nomad Royalty Company Ltd. ("Nomad") for 96,818 Nomad common shares valued at US\$700,000 and fair valued at \$832,634 based on the closing share price on the transaction date. As part of the asset sale process, a right of first refusal associated with one of the royalties was exercised and the applicable royalty was sold for cash proceeds of \$375,300 (US\$300,000). Total net consideration in cash and shares for the royalty package was valued at \$1,183,373 (net of transaction costs of \$24,562). The book value of the royalty portfolio on the date of disposition was \$1,254,300, resulting in a loss on sale of \$70,927.

As at March 31, 2022, the Nomad common shares were measured at a fair value of \$885,885 and resulted in an unrealized gain of \$53,250. The Nomad common shares were subject to a statutory hold period that expired on May 22, 2022. Subsequent to March 31, 2022, the Company sold a portion of its Nomad marketable securities for gross proceeds of \$871,562.

### **Financings**

Also on April 12, 2021, the Company completed a non-brokered private placement with Tembo Capital ("Tembo") of 30,770,000 common shares at a price of \$0.13 per common share for a total investment of \$4,000,100 and 1,846,200 common share purchase warrants with each warrant being exercisable into one common share at a price of \$0.1794 per common share until April 12, 2023. In connection with the private placement of units to Tembo, the Company entered into an investor rights agreement. The investor rights agreement contains customary provisions including certain rights in favour of Tembo, such as: (a) the right to appoint one nominee to Maritime's board of directors and one nominee to any technical committee of the board while Tembo holds 10% or more of the Company's shares; (b) the right to receive certain information related to the Company, such as monthly financial and budgetary information, while Tembo holds 7.5% or more of the Company's shares subject to certain confidentiality provisions; (c) the right to maintain its pro-rata ownership of Maritime shares if the Company issues any equity or equity-like securities, subject to certain exceptions, and including an annual top-up right non-financing share issuances, while Tembo holds 7.5% or more of the Company's shares; and (d) a right to receive notification following the Company's receipt of a project finance offer.

On March 22, 2021, the Company completed a brokered private placement of 38,500,000 flow-through common shares at a price of \$0.1794 per flow-through common share for gross proceeds of \$6,906,900. The private placement was completed by a syndicate of agents led by Canaccord Genuity Corp. ("CG") and including Dundee Goodman Merchant Partners ("DGMP"), a division of Goodman & Company, Investment Counsel Inc., Sprott and iA Private Wealth Inc. (collectively, the "Agents"). In connection with the closing of the private placement, the Company paid to the Agents a cash fee of \$414,414 of the aggregate gross proceeds raised pursuant to the offering and issued an aggregate of 2,310,000 non-transferable compensation warrants with each compensation warrant being exercisable into one common share at a price of \$0.1794 per common share until March 22, 2023.

Maritime is financed to complete its current planned exploration program, a resource update and a feasibility study, as well as obtaining permits and approvals to advance the Hammerdown Gold Project toward a development



decision in 2022. The Company intends to raise funding through debt financing, equity issuances, sales of marketable securities, royalties or asset sales, or a combination thereof.

### **COVID-19**

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. Maritime's COVID-19 protocols and procedures were based on the provincial health authorities' protocols and the Company 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 continues to be Maritime's top priority. The Company's health and safety protocols include remote work wherever possible, self-assessment of COVID-19 symptoms, enhanced cleaning and hygiene practices, physical distancing, rapid testing, time off for vaccination and the increased reliance on technology such as hosting virtual meetings. These protocols are continually reviewed, and the Company continues to monitor provincial medical authorities' recommendations as well as local conditions.

### **HAMMERDOWN GOLD PROJECT – PERMITTING**

The Company's Hammerdown Gold Project ("Hammerdown" or the "Project"), located in the Province of Newfoundland and Labrador, consists of the construction, operation, decommissioning and remediation of an open pit and underground gold mine, an on-site crushing and sorting plant and associated infrastructure located on the footprint of a brownfield mine site. Final mineral processing to gold doré will occur offsite at the Nugget Pond gold circuit, approximately 140 km by highway from the Hammerdown site.

#### **Environmental Assessment**

On July 8, 2020, the Project was registered as an Undertaking, as required by the Newfoundland and Labrador Environmental Assessment ("EA") Act. The provincial EA process provides a 45-day review period for an assigned regulatory EA panel, and the registration document is also available for public review and comment during that period.

In November 2021, Maritime was issued Environmental Preview Report ("EPR") Guidelines by the provincial EA Division, outlining specific additional information required to support the Project evaluation. Maritime submitted its EPR on March 11, 2021. On May 10, 2021, the Project was officially released from environmental assessment which enables the Company to proceed with obtaining the necessary permits and approvals required to support future development. The registration document and the environmental preview report can be found on the Government of Newfoundland and Labrador website <https://www.gov.nl.ca/ecc/projects/project-2091/>.

#### **Employment and Benefits, Gender Equity and Diversity and Technology Plans**

The Company has received regulatory approval of each of the following provincially required documents in support of future development:

*Industrial Employment and Benefits Plan* – commits the Company to provide employment and business opportunities, training, and research and development within the Province;

*Gender Equity and Diversity Plan* – commits the Company's to incorporate measures to support gender equity and diversity in its workforce;

*Best Available Control Technology Analysis* – requires that technology decisions made relative to Project execution consider energy, environmental and economic impacts.



### **Early Works Abridged Plan**

To advance site development, Maritime determined that there would be benefit in proceeding with early site clearing work in preparation for the official start of construction. A mechanism under provincial legislation provides proponents the opportunity to complete 'early works' essential for timely project start up, and which alleviates potential risk to proposed future development. A condensed development and closure plan ("Abridged Plan") as well as financial assurance is required to be submitted for approval of early works. In August 2021, Maritime submitted an Abridged Plan to address site vegetation removal and excavation of soil from a portion of the proposed open pit development. This work positions the Company for an earlier start to earthworks in 2022, following completion of the feasibility study, approval by the Board of Directors to develop the Project as well as completion of Project financing. On September 21, 2021, Maritime received approval from the provincial government to proceed with early works at the mine site and subsequent to September 30, 2021, financial assurance totaling \$72,981 was filed with the Province to cover the related rehabilitation liability. Timber harvesting permits and regulatory approval for an expanded surface lease boundary were also received from the Province during September 2021 to support this work. The early works tree clearing program was completed during the fourth quarter of 2021 and first quarter of 2022 in preparation for a construction commencement decision during the second half of 2022.

### **Other Required Permits and Approvals**

Regulatory approval is required for Life of Mine plans which address development of the site, operations and closure. Maritime intends to submit a Development Plan and a Reclamation and Closure Plan to the provincial Department of Industry, Energy and Technology during the third quarter of 2022. The timeline for review of both documents is estimated at approximately ten to twelve weeks. Other ancillary permits will be required to support site construction, building erection and operations. These permitting processes will be ongoing throughout construction and routine regulatory review and approval processes are not expected, at this time, to negatively impact the progression of site work.

### **Orion Environmental Baseline**

Maritime is also completing environmental baseline work to support EA registration of its Orion Gold Project. The Orion deposit is located within the existing Project surface lease boundary, approximately 2 km from Hammerdown. Baseline environmental data collection continues and will conclude during the second half of 2022. The Company plans to complete and submit a project registration for Orion during the first half of 2023.

### **Community Engagement**

Maritime continues to engage with regional stakeholders of local communities as well as support local initiatives within the communities in which it operates.

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

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 Inc. (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 reported 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 Kriging 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 2.0 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 and 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.

### **OUTLOOK**

The Company's plans for 2022 are to continue to focus on advancing Hammerdown towards a development decision following the completion of a feasibility study, receipt of the required permits and approvals, and project financing. Maritime is in the process of completing a Mineral Resource update, as well as technical studies to confirm ore sorting and metallurgical recoveries, geotechnical design parameters plus environmental baseline data gathering to support the feasibility study for the Hammerdown Gold Project.

Brownfields exploration remains a key focus for 2022 targeting areas within a 5-km radius of the proposed Hammerdown mine plan that could potentially add to the mine life of the Hammerdown Gold Project. Near mine site or brownfields target areas include the area between Hammerdown to Orion, Birchy Island Pond, Timber Pond, and the Golden Anchor Zone. Compilation and re-interpretation of historical data along with new ground soil sampling and IP surveys with follow-up diamond drilling have generated drill ready targets some of which are being tested in the 2022 winter drilling program. During the first half of 2022, condemnation drilling continues in areas where laydown areas for mine waste stockpiles are intended to be located per the Hammerdown feasibility mine plan.

Greenfields exploration during 2022 aims to build on the success of the 2021 exploration results, pending future financing. In 2021 limited diamond drilling, reconnaissance scale geochemical soil surveys and focused IP geophysical surveys defined and expanded mineralized zones in the Whisker Valley/Gull Ridge Project areas. Areas which require follow-up exploration work in 2022 include the Gull Ridge nickel/copper prospects, Black Ridge gold/VMS, Gary Vein gold epithermal sulphide vein system, fluorite porphyry/epithermal zone and the Mic Mac Lake orogenic gold vein system.



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 subsequent permitting in preparation for construction, pending a development decision.

The historical exploration database from the entire Maritime property area will continue to be compiled into 3D visualization software during 2022. It is anticipated that the compilation and interpretation of the historical data with the new airborne VTEM/ZTEM and magnetic surveys will generate additional exploration targets leading to ground follow-up prospecting, geochemical sampling and additional ground geophysics and drilling in areas of interest. A large reconnaissance soil/till sampling program is planned to cover areas where geological interpretations along with new airborne and historical compilations has determined that geochemical data is lacking.

An aggressive exploration plan is being developed on both brownfields and greenfields target areas for future programs pending further financing. A systematic exploration approach will continue to be applied including reconnaissance soil sampling, ground geophysics, and follow-up trenching and diamond drilling pending positive results.

## **2022 Greenfields Exploration Interests**

### **Green Bay Project**

#### *Birchy Island Pond (Au)*

Located 5 km east of Hammerdown, this target is a newly discovered quartz vein system defined on surface by a mineralized boulder train at the intersection of several faults highlighted on surface as a well-defined 4 km long linear structure. Ground based IP surveys have identified several chargeable anomalies suggesting the presence of disseminated sulphide mineralization. Phase 1 exploratory drilling was completed which included 5 drill holes totaling 1,116 m with drill hole BIP-21-03 intersecting 0.90 gpt Au over 3.42 m, including 10.86 gpt Au over 0.20 m. At least three styles of mineralized veins were reported in the drill core. In 2022, an expanded grid is planned to be completed to accommodate soil sampling along with ground IP, along with diamond drilling to test the chargeability/ coincident base metal/gold in soil anomaly along strike.

#### *Timber Pond (Au-Ag-Cu)*

Timber Pond is located 8 km east of Hammerdown. Phase 1 exploratory drilling was completed including 5 drill holes totaling 647 m. Drilling confirmed the historical massive and disseminated sulphide mineralization as well as a lens of gold mineralization in the hanging wall to the massive sulphides. Two holes encountered significant gold mineralization with hole TP-21-05 returning 2.33 gpt Au over 4.0 m, including 6.08 gpt Au over 1.5 m and hole TP-21-03 encountering high grade silver consisting of 0.73 gpt Au and 339.7 gpt Ag over 2.0 m, including 1.12 gpt Au and 659.0 gpt Ag over 1.0 m. A new interpretation of both historical and 2021 drilling is being completed to plan future work to test the potential extension along strike and downdip.

#### *Golden Anchor/Beetle Pond (Au)*

This gold zone is located 1 km east of the Hammerdown Deposit and is interpreted as being an extension of the Golden Anchor prospect that has been offset by folding and faulting. The Beetle Pond Trend is located 500 m East of Golden Anchor and is associated with a high-grade gold and base metal in soil trend that extends for over 325 m and is associated with a large coincident magnetic and IP anomaly. Beetle Pond was drilled as part of the Company's 2022 drilling program with the first hole encountering a quartz/sulphide vein with abundant visible gold. Samples of the mineralized interval were sent for rush analysis and returned a grade of 150.37 gpt Au over 0.20 m in drill hole GA-22-46. Additional drilling is now being planned to test extensions of the mineralized veins system between the Golden Anchor and Beetle Pond prospects.



## **Whisker Valley Project**

Three mineralized corridors define the abundance of gold mineralization discovered to date on the Whisker Valley Property, the Gary Vein Trend, the Fluorite Trend and the El Strato Trend.

### *Gary Vein System (Au)*

The Gary vein 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. 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. Expansion of the soil grid to the south, additional ground IP and diamond drilling is planned for 2022, pending further financing, to further delineate and expand the Gary vein system. Detailed 3D modeling may also be completed to further understand the structural and geological controls on mineralized zones.

### *Fluorite Zone (Au)*

A new mineralized zone containing widespread disseminated pyrite with extensive silica and potassic alteration has been identified at Whisker Valley one kilometer east of the Gary vein system. This zone is characterized as an extensive hydrothermal breccia system containing gold, zinc, fluorite, and rare earth elements that is geologically similar to other alkalic epithermal systems such as the world class Cripple Creek gold deposits in Colorado, USA. The surface extents of this system are not yet known however similar alteration and mineralization has been exposed in trenching and prospecting over several hundred metres. Four grab samples from the trenched area returned appreciable amounts of gold ranging from 0.45 gpt gold to 1.32 gpt gold. The new alkalic epithermal gold prospect is located stratigraphically above an exposed and highly altered monzonite intrusion that is believed to be the alkaline porphyry root of the epithermal prospect. Ground based IP surveys and diamond drilling was completed in 2021 along with hyperspectral scanning of the core. Assay results from the drilling are being interpreted, however, ICP-34 analysis of core is still pending. To advance the understanding and prospectivity of the Fluorite Zone in 2022, an advanced study of lithogeochemical sampling and detailed geological mapping along with an expanded soil sampling grid is planned, pending further financing.

### *Mic Mac Lake (Au)*

The Mic Mac Lake vein system is located near the western boundary of the Whisker Valley Project. Sporadic historical exploration in the area has defined an extensive gold vein system of quartz/pyrite/sulphide veins discovered in angular boulders, outcrop, and diamond drilling. The gold bearing vein system has been traced intermittently over several kilometers and has been characterized as being orogenic and structurally controlled. Historical work in the area reported assay grades of 3.1 gpt Au over 2.1 m in channel samples, along with 3.15 gpt Au in drill core and grab samples from outcrop up to 239.6 gpt Au. A compilation of all historical data along with the most current airborne geophysical surveys is expected to be compiled in 2022. Targets for follow-up prospecting, soil sampling, trenching and drilling are planned to be defined for a 2022 exploration program, pending financing.

In 2022, the Company plans to continue to carry out an integrated exploration strategy entailing advanced geochemical studies to determine the genetic aspects and characteristics of known mineralization. Lithogeochemical analysis is being applied to determine the style and ore forming processes and help in understanding the tectonic and structural setting to define mineralizing environment so that models can effectively be applied. Lithogeochemistry can help to define if an area has the potential to host mineralization and focus exploration efforts for increased success. The lithogeochemical study entails utilizing a portable XRF for on-the-spot analysis (drill core,



soils, rocks), along with provincially contracted laboratory scanning (in partnership with the College of the North Atlantic "CNA"). Also during 2022, a collaborative research and development program is being planned in partnership with Memorial University and Queen's University with funding support from the provincial GeoExplore Program along with national organizations including MITECS and NSERC. The research and development project will focus on the newly discovered porphyry/epithermal system in the Whisker Valley area.

### **Gull Ridge Project (Ni, Cu, Co)**

The Gull Ridge Pluton is a large highly magnetic polyphase intrusion located in the southwest end of the Maritime land package and is historically under explored. Historical work in the area highlighted widespread disseminated and patchy sulphide mineralization of pyrite, chalcopyrite and pyrrhotite and possible pentlandite. Historical assays from chips and grabs of outcrop reported 0.04 to 0.15% Cu and 0.03 to 0.10% Ni. Initial prospecting, trenching, and diamond drilling in 2021 were successful in identifying widespread potentially hydrothermal magmatic sulphide mineralization. Airborne IP Geophysics (AIP) identified a large chargeability anomaly measuring 4.5 km long by 1.5 km wide contained within the magnetic expression of the Gull Ridge Pluton. Soil sampling over a portion of the intrusion identified anomalous Ni in a soil trend over a strike length of 4 km within the broader AIP Anomaly. The Gull Ridge Project is very early stage and the 2021 phase one field work of prospecting, reconnaissance soil sampling, IP surveys and drilling generated a significant database of information that will be evaluated to plan to identify targets and further work in the area. The airborne VTEM and ZTEM surveys completed in 2021 are being interpreted to better understand the mineralizing events related to the Gull Ridge Pluton.

### **Exploration Highlights – Q1 2022**

- During the first quarter of 2022, Maritime completed 1,123 m of diamond drilling in 6 drillholes. The winter 2022 drilling program was designed to test areas within 5 km of the Hammerdown mine site that could potentially add resources to the current Feasibility study being completed.
- The drilling was designed to test stratigraphy immediately south of the Hammerdown gold deposit, as well as test along strike at the Golden Anchor area.
- The one hole drilled south of Hammerdown/Wisteria, and the proposed mining pit shell was one of several holes planned to test stratigraphy that showed areas of IP chargeability response that had not been tested in previous exploration campaigns between Hammerdown and the Orion deposit. Several intersections of pyrite as disseminations and veinlets were reported in core with assays pending.
- Five holes totaling 864 m were drilled in the Golden Anchor/Beetle Pond area to test a 300-m-long anomalous gold in soils. All holes intersected narrow quartz/sulphide veins in the hanging wall to the Lochinvar VMS horizon verifying a possible north-south trend to the Golden Anchor Vein system. One hole GA-22-46 intersected a narrow quartz/base metal vein with visible gold that returned 150.37 gpt Au over 0.20 m.

## **EXPLORATION PROJECTS OVERVIEW**

### **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 historic Lochinvar base-precious metal VMS deposit is located one km east of Hammerdown.

On May 16, 2018, the Company entered into an option agreement to earn a 100% interest in the Inomin property consisting of certain mineral claims that extend the Green Bay property. On September 17, 2021, the Company paid the final payment comprised of cash consideration of \$125,000 and 500,000 shares with a fair value of \$65,000 to exercise its option in full to acquire 100% interest in the Green Bay Inomin property. The Company paid aggregate cash consideration of \$300,000 and 2,000,000 common shares with an aggregate fair value of \$235,000 over a period



of four years. The Inomin property is subject to a 1.0 % NSR of which 100% can be purchased for \$500,000. The project also has an underlying NSR of 2.5% of which 1.5% can be purchased for \$1,000,000.

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. The Company exercised its option in full to acquire 100% interest on March 10, 2022, under the following terms:

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

The 6.25 km<sup>2</sup> Sprucy Pond consists of 25 claim units. 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. During the summer of 2021, a soil sampling grid was established over the Sprucy Pond grid and sample collection is ongoing. A ground IP survey is also planned for the area.

**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. The Company currently holds 216 square km<sup>2</sup> along a strike length of 31.5 km of the favorable geology that is host to numerous gold prospects and showings.

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. On March 22, 2022, the Company completed the final payment to exercise its option in full, under the following terms:

	<b>Cash</b> \$	<b>Common shares</b> #	<b>Minimum required exploration expenditure</b> \$
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 (paid)	300,000 (issued)	500,000 (incurred)
March 22, 2022	100,000 (paid)	500,000 (issued)	500,000 (incurred)
	<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 27, 2020, the Company exercised its option in full to acquire 100% interest in the Strugglers Pond property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), for aggregate cash consideration of \$30,000 and 100,000 shares with an aggregate fair value of \$11,350 over a period of three years. The Company has the option to buy-back one-half of the 2% NSR royalty for \$1,000,000 on or before the end of the second anniversary of commercial production.



On November 23, 2019, 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), for aggregate cash consideration of \$40,000 and 750,000 shares with an aggregate fair value of \$61,250 over a period of two years. The Company has the option to buy-back one-half of the 2% NSR royalty for \$1,000,000 on or before the end of the second anniversary of commercial production.

### **Gull Ridge Project**

In January 2021, the Company staked additional claims to the south of the new Gull Ridge project area comprised of 2,300 hectares on 92 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. In 2021, the Company commenced drilling on drill targets at Gull Ridge based on the VTEM and magnetic survey data and detailed ground EM surveys; and continues to complete reconnaissance scale mapping along with soil sampling and prospecting; and, carry out IP geophysical surveys in select areas pending positive results. As previously discussed, the Company completed a deep looking regional ZTEM survey and interpretation of the results and is ongoing with early indications of anomalous areas being defined for ground follow-up.

On December 21, 2021, the Company entered into an agreement to acquire a 100% interest in certain mineral property interests located on the Gull Ridge property in the Baie Verte mining district of Newfoundland and Labrador, Canada, under the following terms:

	<b>Cash</b>	<b>Common shares</b>
	<b>\$</b>	<b>#</b>
Upon signing/ approval	10,000 (paid)	50,000 (issued)
January 7, 2023	10,000	50,000
January 7, 2024	10,000	50,000
January 7, 2025	20,000	100,000
	<b>50,000</b>	<b>250,000</b>

### **Lac Pelletier**

The Company acquired a 100% interest in the Lac Pelletier property from Rambler in April 2021, located southwest of Rouyn Noranda, Québec, Canada in the Abitibi Greenstone Belt. Lac Pelletier is subject to a 1% NSR royalty to Glencore (formerly Xstrata and Falconbridge). Maritime allocated a value of \$1,764,869 to the Lac Pelletier exploration property upon acquisition. Lac Pelletier is an advanced exploration project located 1.5 km north of the Cadillac Larder Lake Fault adjacent to the historic Stadacona Mine and 8.0 km east of Yamana's Wasamac gold project, in the heart of the Abitibi greenstone belt. The project benefits from its proximity to infrastructure, extensive surface and underground diamond drilling and over 3,000 m of existing underground development.

On May 11, 2022, Maritime announced the completion of a new mineral resource estimate for the Lac Pelletier gold project in Rouyn Noranda, Québec. The mineral resource estimate demonstrates an extensive gold resource suited for potential underground mining (See Press Release dated May 11, 2022 on the Company's website and on SEDAR). Highlights include:

- 41,300 tonnes grading 3.99 gpt Au for 5,300 ounces (Measured)
- 639,900 tonnes grading 4.09 gpt Au for 84,100 ounces (Indicated)
- 681,200 tonnes grading 4.08 gpt Au for 89,400 ounces (Total Measured and Indicated)
- 1,099,000 tonnes grading 3.89 gpt Au for 137,600 ounces (Inferred)
- Project has valid certificate of authorization for 1,000 tonnes per day production
- Considerable exploration upside along strike and at depth

*\*Cautionary Statement: There is no certainty that Indicated mineral resource estimates will be converted to the Measured resource and Proven and Probable mineral reserve categories and there is no certainty that the new mineral resource estimate will be realized. There is no guarantee that Inferred mineral resource estimates can be converted to Indicated or Measured mineral*



*resource categories, or that Indicated or Measured mineral resource estimates will be converted to mineral reserves. Mineral resource estimates that are not mineral reserves do not have demonstrated economic viability. The mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant risks, uncertainties and other factors.*

### **Other Exploration Properties**

The following exploration properties were acquired from Rambler in April 2021 and were ascribed a nominal fair value.

*Owl Creek West* – The Company holds a 35% interest in the Owl Creek West joint venture with Newmont Canada who holds 65%. The property is located in Timmins, Ontario, Canada between the Hoyle Pond and Bell Creek mines.

*Rod-Linda-McKayseff (RLM)* – The Company 100% interest in the RLM property, located in Snow Lake, Manitoba, Canada adjacent to Hudbay Inc.'s Stall Lake mill site. The historic Rod mine and Linda VMS deposit are located on the property.

*Daniel* – The Company 100% interest in the Daniel property, located in Matagami, Québec, Canada.

*Wright* – The Company 100% interest in the Wright property, located in Temiscaming, Québec, Canada.

### **Royalty Interests**

A portfolio of royalty interests in a number of Canadian exploration projects in Québec, British Columbia and Ontario were acquired from Rambler in April 2021 and together were allocated a value of \$1,254,300. On January 21, 2022, Maritime completed an asset sale transaction with Nomad under which the Company sold a portion of its royalty portfolio for 96,818 Nomad common shares, fair valued at \$832,634 based on the closing share price on the transaction date. As part of the asset sale process, a right of first refusal associated with one of the royalties was exercised and the applicable royalty was sold for \$375,300. Total net consideration in cash and shares for the royalty package was valued at \$1,183,373 (net of transaction costs of \$24,562). The book value of the royalty portfolio on the date of disposition was \$1,254,300, resulting in a loss on sale of \$70,927.

## **FINANCIAL POSITION**

### **Cash**

As at March 31, 2022, cash totaled \$2,826,829 (December 31, 2021 – \$4,339,859). The decrease in cash was mainly due to expenditures on the Company's exploration activities, the Hammerdown feasibility study and related permitting activities and corporate general and administrative expenses. The Company's Canadian cash is held on deposit or in highly liquid, fully redeemable Guaranteed Investment Certificates with a major Canadian bank.

### **Marketable securities**

Pursuant to the sale of its royalty interests on January 21, 2022, Maritime was issued 96,818 Nomad common shares and recorded as marketable securities with a fair value of \$832,635, using the closing share price on the transaction date. As at March 31, 2022, the marketable securities were measured at a fair value of \$885,885 and resulted in an unrealized gain of \$53,250. The Nomad shares are classified as financial assets measured at fair value through profit or loss and are recorded at fair value using the quoted market prices as at March 31, 2022 and accordingly, are classified as Level 1 within the fair value hierarchy. The Nomad common shares were subject to a statutory hold period that expired on May 22, 2022. Subsequent to March 31, 2022, the Company sold a portion of its Nomad marketable securities for gross proceeds of \$871,562.



Receivables

As at March 31, 2022, receivables of \$155,556 (December 31, 2021 – \$298,216) related mainly to input sales tax.

Property and equipment

	Mill Equipment \$	Right of use assets \$	Furniture and Leaseholds \$	Vehicles \$	Exploration Equipment \$	Total \$
<b>Net book value – Dec 31, 2020</b>	-	45,113	13,210	16,071	-	74,394
Additions	1,394,300	408,630	15,648	52,788	93,248	1,964,614
Depreciation	-	(37,159)	(8,618)	(18,948)	(17,880)	(82,605)
<b>Net book value – Dec 31, 2021</b>	<b>1,394,300</b>	<b>416,584</b>	<b>20,240</b>	<b>49,911</b>	<b>75,368</b>	<b>1,956,403</b>
Additions	-	65,611	-	-	-	65,611
Depreciation	-	(26,316)	(2,428)	(5,837)	(6,710)	(41,291)
<b>Net book value – Mar 31, 2022</b>	<b>1,394,300</b>	<b>455,879</b>	<b>17,812</b>	<b>44,074</b>	<b>68,658</b>	<b>1,980,723</b>

As at March 31, 2022, the Nugget Pond mill is not considered available for use and accordingly is not being depreciated.

Mineral properties

Expenditures incurred on the Company's exploration properties and mineral interests, follow:

	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Lac Pelletier \$	Other ON QC & MB \$	Royalty Interests \$	Total \$
<b>Balance, December 31, 2020</b>	<b>15,939,129</b>	<b>2,621,402</b>	<b>71,001</b>	-	-	-	<b>18,631,532</b>
Acquisition costs	145,000	75,000	12,665	1,764,869	-	1,254,300	3,251,834
Acquisition costs – shares	95,000	43,500	-	-	-	-	138,500
Exploration expenses:							
Drilling and assaying	3,119,712	703,309	307,561	-	-	-	4,130,582
Geology	1,323,656	400,661	316,496	35,681	-	-	2,076,494
Geophysics	536,024	512,541	205,262	-	-	-	1,253,827
Property	127,445	525	-	9,855	-	-	137,825
Feasibility study	720,695	-	-	-	-	-	720,695
Early works site tree clearing	428,531	-	-	-	-	-	428,531
Environmental & permitting	507,024	33,137	-	-	-	-	540,161
	7,003,087	1,768,673	841,984	1,810,405	-	1,254,300	12,678,449
Less: Recoveries and grants	(76,500)	-	-	-	-	-	(76,500)
Net additions	6,926,587	1,768,673	841,984	1,810,405	-	1,254,300	12,601,949
<b>Balance, December 31, 2021</b>	<b>22,865,716</b>	<b>4,390,075</b>	<b>912,985</b>	<b>1,810,405</b>	-	<b>1,254,300</b>	<b>31,233,481</b>
Acquisition costs	30,000	100,000	-	-	-	-	130,000
Acquisition costs – shares	33,750	62,500	6,250	-	-	-	102,500
Exploration expenses:							
Drilling and assaying	301,575	23,565	24,079	-	-	-	349,219
Geology	286,516	63,326	20,082	63,015	-	-	432,939
Geophysics	3,011	4,289	1,825	-	-	-	9,125
Property	50	-	-	5,834	12,642	-	18,526
Feasibility study	451,932	-	-	-	-	-	451,932
Early works site tree clearing	55,250	-	-	-	-	-	55,250
Environmental & permitting	89,085	1,060	-	-	-	-	90,145
	1,251,169	254,740	52,236	68,849	12,642	-	1,639,636
Less: Disposals	-	-	-	-	-	(1,254,300)	(1,254,300)
Net additions/disposals	1,251,169	254,740	52,236	68,849	12,642	(1,254,300)	385,336
<b>Balance, March 31, 2022</b>	<b>24,116,885</b>	<b>4,644,815</b>	<b>965,221</b>	<b>1,879,254</b>	<b>12,642</b>	-	<b>31,618,817</b>



Subsequent to March 31, 2022 and during the year ended December 31, 2021, the Company received \$60,000 and \$76,500, respectively, 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 the calendar years 2021 and 2020, respectively.

As at March 31, 2022, the Company has provided deposits totaling \$16,195 (December 31, 2021 – \$18,192) to vendors as advance payments for services to be provided related to the Hammerdown feasibility study. A deposit of \$72,981 for reclamation purposes has been made to the Government of Newfoundland and Labrador on at the Hammerdown project as at March 31, 2022.

As at March 31, 2022, the Company is obligated to incur \$512,517 of qualifying flow-through expenditures prior to December 31, 2022.

#### **Accounts payable and other liabilities**

As at March 31, 2022, accounts payable and accrued liabilities were \$924,744 (December 31, 2021 – \$821,237) and relate mainly to activities at the Company's exploration projects during the period.

#### **Reclamation liability**

The Company's estimates of future decommissioning and restoration for reclamation and closure costs for its gold plant milling assets are based on reclamation standards that meet Canadian regulatory requirements. Elements of uncertainty in estimating these amounts include potential changes in regulatory requirements, reclamation plans and cost estimates, inflation and discount rates and timing of expected expenditures. At this time, the undiscounted amount of estimated cash flows required to settle the decommissioning and reclamation costs, related to the Nugget Pond gold circuit assets acquired on April 12, 2021, is estimated at \$718,750. Upon the commencement of work at the Nugget Pond facility, the Company's reclamation obligation will be reevaluated to include any change in closure costs as the Company's environmental footprint changes. Accretion on the liability, at this time, is nominal due to the low and offsetting inflation and risk-free interest rates. The Company has recorded the undiscounted amount of estimated reclamation costs and will re-evaluate the estimated timing and value of outflows annually and will revise its estimate if necessary, as well as upon commencement of work.

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

- On April 12, 2021, the Company completed a non-brokered private placement with Tembo Capital of 30,770,000 common shares at a price of \$0.13 per common share for total proceeds of \$4,000,100 and 1,846,200 common share purchase warrants with each warrant being exercisable into one common share at a price of \$0.1794 per common share until April 12, 2023. Legal, regulatory and other cash costs associated with the private placement totalled \$70,488.
- On March 22, 2021, the Company completed a brokered private placement of 38,500,000 common shares on a flow-through basis at a price of \$0.1794 per flow-through common share for gross proceeds of \$6,906,900. The private placement was completed by a syndicate of agents led by CG and including DGMP, a division of Goodman & Company, Investment Counsel Inc., Sprott and iA Private Wealth Inc. (collectively, the "Agents").

In connection with the closing of the private placement, the Company paid to the Agents a cash fee of \$414,414 of the aggregate gross proceeds raised pursuant to the offering and issued an aggregate of 2,310,000 non-transferable compensation warrants with each compensation warrant being exercisable into one common share at a price of \$0.1794 per common share until March 22, 2023 with a fair value of \$131,670. The flow-through shares were issued at a premium of \$1,324,400 and require the Company to incur eligible Canadian exploration expenditures of \$6,906,900 before December 31, 2022. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability was reduced to \$98,856 and \$124,463 was recognized into



income during the three month period ended March 31, 2022. Legal, regulatory and other cash costs associated with the private placement totalled \$212,134.

<i>Flow-through premium liability</i>	\$
<b>Balance – December 31, 2020</b>	<b>203,613</b>
Flow-through premium liability additions	1,324,400
Settlement of flow-through premium to income	(1,304,694)
<b>Balance – December 31, 2021</b>	<b>223,319</b>
Settlement of flow-through premium to income	(124,463)
<b>Balance – March 31, 2022</b>	<b>98,856</b>

**Shares issuances related to property option agreements**

During the three month period ended March 31, 2022, the Company issued:

- 50,000 (2021 – nil) common shares valued at \$6,250 (2021 – \$nil) in connection with the Gull Ridge property;
- 250,000 (2021 – 250,000) common shares valued at \$33,750 (2021 – \$30,000) in connection with the Spruce Pond property;
- 500,000 (2021 – 300,000) common shares valued at \$62,500 (2021 – \$43,500) in connection with the Whisker Valley property.

**Warrant and stock option exercises**

During the year ended December 31, 2021, 13,165,940 common shares were issued upon the exercise of warrants for gross cash proceeds of \$1,974,891. The value of the exercised warrants of \$51,901 was transferred from reserves to share capital.

**Other share issuances**

Pursuant to the Acquisition on April 12, 2021, 3,571,428 common shares of the Company were issued to Rambler for partial consideration for the purchase of the Assets with a fair value of \$660,714 and on June 3, 2021, 400,000 common shares were issued for advisor services with a fair value of \$82,000.

**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 month periods ended March 31	2022 \$	2021 \$	Change \$
<b>Expenses</b>			
Salaries and benefits	293,571	263,216	(30,355)
Administration	64,630	50,300	(14,330)
Consulting	15,670	-	(15,670)
Directors' fees	25,001	20,038	(4,963)
Investor relations and promotion	82,062	98,401	16,339
Professional fees	97,529	-	(97,529)
Share-based payments	4,522	2,911	(1,611)
Depreciation	41,291	10,899	(30,392)
Interest expenses on lease liability	9,998	-	(9,998)
	<b>(634,274)</b>	<b>(445,765)</b>	<b>(188,509)</b>
Interest income	2,327	5,425	(3,098)
Loss on sale of royalty interests	(70,927)	-	(70,927)
Unrealized gain on marketable securities	53,250	-	53,250
Recognition of flow-through premium liability	124,463	203,613	(79,150)
<b>Loss and comprehensive loss for the period</b>	<b>(525,161)</b>	<b>(236,727)</b>	<b>(288,434)</b>
<b>Loss per share</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

For the three month period ended March 31, 2022, the Company incurred a loss and comprehensive loss in the amount of \$525,161 (2021 – \$236,727). Expenses during the three month period ended March 31, 2022 were higher than the comparative period mainly due to increased professional fees resulting from increased activity to support the Company's growth as it advances its feasibility study and permitting toward a development decision at the Hammerdown gold project, offset by a lower flow-through premium recovery than the comparative period. Pursuant to qualifying flow-through expenditures incurred during the three month period ended March 31, 2022, the flow-through premium liability was reduced by \$124,463 (2021 – \$203,613) and recorded in income as recognition of the flow-through premium liability. The flow-through premium recovery was lower during the first quarter of 2022 due to the lower flow-through eligible expenditures during the period.

During the three month period ended March 31, 2022, the Company incurred \$19,919 (2021 – \$17,438) for an office lease included in Administration in the statement of loss and comprehensive loss and not included in lease liabilities.

On January 21, 2022, Maritime sold its royalty portfolio for cash consideration of \$375,300 and 96,818 Nomad common shares, fair valued at \$832,634 based on the closing share price upon close, totaling net consideration of \$1,183,373 (net of transaction costs of \$24,562). The book value of the royalty portfolio on the date of disposition was \$1,254,300, resulting in a loss on sale of \$70,927.

As at March 31, 2022, the Nomad shares were measured at a fair value of \$885,885 and resulted in an unrealized gain of \$53,250.



## SUMMARY OF QUARTERLY RESULTS

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

	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
in thousands, except per share amounts	2022	2021	2021	2021	2021	2020	2020	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Net income (loss):								
(i) in total	(525)	(234)	(494)	(653)	(237)	142	(332)	(680)
(ii) per share <sup>(1)</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash	2,827	4,340	7,827	10,873	10,327	6,419	8,739	3,200
Marketable securities	886	-	-	-	-	-	-	-
Exploration and evaluation assets	31,619	31,233	28,666	25,965	20,834	18,632	16,283	13,282
Debt	nil							
Deficit	(12,536)	(12,011)	(11,777)	(11,544)	(10,924)	(10,687)	(10,949)	(10,629)

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

For the three months ended March 31, 2022, the Company incurred a loss and comprehensive loss in the amount of \$525,161 (2021 – \$236,727). 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 and level of exploration activity.

## 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 consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Compensation to key management personnel for services rendered were as follows for the three month periods ended March 31:

	2022	2021
	\$	\$
Salaries	223,642	199,420
Directors' fees	22,500	17,500
	246,142	216,920

At March 31, 2022, the Company included in accounts payable and accrued liabilities \$25,178 (2021 – \$22,013), comprised of \$22,500 (2021 – \$17,500) of directors' fees and expenses payable to the members of board of directors of the Company and \$2,678 (2021 – \$4,513) payable to the Chief Executive Officer for travel and related expenses. Amounts due to related parties are non-interest bearing with no specific terms of repayment.

**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.

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

	<b>2022</b>	2021
	<b>\$</b>	\$
Rent	<b>19,919</b>	17,438
Office administration	<b>1,319</b>	1,319
	<b>21,238</b>	18,757

**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.

**Working Capital**

The Company had \$2,957,133 in working capital as at March 31, 2022 (December 31, 2021 – \$3,871,420) (see "Non-IFRS Measures"). As at March 31, 2022, the Company is obligated to incur \$512,517 of qualifying flow-through expenditures prior to December 31, 2022 and will be subject to Part XII.6 taxes on any unspent flow-through expenditures after February 1, 2022.

Subsequent to March 31, 2022, the Company sold a portion of its Nomad marketable securities for gross proceeds of \$871,562.

As at March 31, 2022, the Company had no debt, did not have any debt, unused lines of credit or other arrangements in place to borrow funds, and had no off-balance sheet arrangements. The Company may use debt financing in future. The Company 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 \$344,124 for the three month period ended March 31, 2022 (2021 – \$182,670). The increase in operating activities related to the increased corporate activity as the Company progresses its feasibility study and permitting to further de-risk and make a development decision at its Hammerdown Project.



### **Financing Activities**

Financing activities during the three month period ended March 31, 2022 resulted in cash outflows of \$26,299 (2021 – \$6,272,858 inflow) from the repayment of lease liabilities. During the comparative period in 2021, the Company completed a private placement financing.

### **Investing Activities**

Investing activities, relating predominantly to exploration and evaluation expenditures on the Company's exploration properties partially offset by net cash proceeds from the sale of the Company's royalty portfolio, resulted in cash outflows of \$1,142,677 during the three month period ended March 31, 2022 (2021 – \$2,182,287).

## **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, marketable securities, receivables, deposits, 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 and marketable securities are measured based on level 1 of the fair value hierarchy.

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

### **Credit risk**

Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company's receivables consist primarily of tax receivables due from federal and provincial government agencies. The Company has no customers or trade receivables as at March 31, 2022. 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. The Company intends to raise funding through debt financing, equity issuances, sales of marketable securities, royalties or asset sales, or a combination thereof within three months.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at March 31, 2022, the Company had cash totalling \$2,826,829 (December 31, 2021 – \$4,339,859) to settle accounts payable and accrued liabilities of \$924,744 (December 31, 2021 – \$821,237). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at March 31, 2022 and December 31, 2021, 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.

### **NEW AND AMMENDED IFRS PRONOUNCEMENTS**

In May 2020, the IASB issued amendments to *IAS 16, Property, Plant and Equipment*. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related costs in profit or loss. The amendments apply to annual reporting periods beginning on or after January 1, 2022. The amendments are applied retrospectively only to items of property, plant and equipment that are available for use after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The Company adopted the amendment on January 1, 2022 and there was no immediate effect on the Company's financial statements.

### **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, 2021, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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



## NON-IFRS MEASURES

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

As at	March 31, 2022	December 31, 2021
	\$	\$
Current assets		
Cash	2,826,829	4,339,859
Marketable securities	885,885	-
Receivables	155,556	298,216
Prepaid expenses	104,052	141,619
	<b>3,972,322</b>	<b>4,779,694</b>
Current liabilities		
Accounts payable and accrued liabilities	(924,744)	(821,237)
Lease liability	(90,445)	(87,037)
Working capital	<b>2,957,133</b>	<b>3,871,420</b>

## DISCLOSURE OF SECURITIES OUTSTANDING

As at May 26, 2022, 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>400,258,601</b>
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	4,450,000
Common share purchase options	20-May-2025	\$ 0.085	5,550,000
Common share purchase options	16-Jun-2025	\$ 0.095	350,000
Common share purchase options	10-Sep-2025	\$ 0.17	600,000
Common share purchase options	24-Jun-2026	\$ 0.18	5,300,000
Common share purchase options	29-Jul-2026	\$ 0.18	2,000,000
<b>Common share purchase options</b>			<b>25,630,000</b>
Common share purchase warrants	12-Apr-2023	\$ 0.1794	1,846,200
<b>Common share purchase warrants<sup>(1)</sup></b>			<b>1,846,200</b>
Finders' warrants	21-Aug-2022	\$ 0.15	3,087,873
Finders' warrants	22-Mar-2023	\$ 0.1794	2,310,000
<b>Finders' warrants<sup>(2)</sup></b>			<b>5,397,873</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.



## 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, 2021 filed on [www.sedar.com](http://www.sedar.com).

## 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, the Company's plans regarding depth extension of the deposit at Hammerdown, the Company's plans regarding completing additional infill and grade control testing within the PEA mine plan, the Company's plans regarding drilling targets previously identified, the anticipated timing of provincial environmental assessment approval for Hammerdown, the Company's plans related to the Nugget Pond gold circuit, including receipt of certain approvals related to those activities, 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 the acquisition of assets and new mineral property interests will be completed in the manner currently contemplated by the parties, 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.