

**NEW DIMENSION RESOURCES LTD.  
#1020 625 Howe Street  
Vancouver BC  
CANADA**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**For the Three and Nine Months Ended February 29, 2020**

**Contact Person  
Contact's Position  
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May 31, 2020  
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**Form 51-102F1**  
**Management Discussion and Analysis**  
**For**  
**New Dimension Resources Ltd.**  
**(“NDR”, “New Dimension” or the “Company”)**

The following management’s discussion and analysis (“MD&A”) of the Company has been prepared as of May 31, 2020 and is intended to supplement and complement the Company’s unaudited condensed interim consolidated financial statements for the three and nine months ended February 29, 2020 and February 28, 2019 (the “Interim Financial Statements”), and should be read in conjunction with the annual financial statements for the year ended May 31, 2019 (the “Annual Financial Statements”), together with the notes thereto. Financial statement information presented herein was prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”).

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

Argentina is officially considered a hyperinflationary economy and as a result IAS 29 – *Financial Reporting in Hyperinflationary Economies* (“IAS 29”) has been applied to NDR’s subsidiaries Minera Mariana Argentina SA and Sierra Blanca SA, as both these entities have the Argentinean peso as their functional currency. Refer to *Financial Condition, Liquidity, Capital Resources, Operations and Financial Results* section below for further details

## **NATURE OF BUSINESS**

New Dimension Resources Ltd. is incorporated under the laws of the Province of British Columbia, Canada, and maintains a corporate office at Suite 1020, 625 Howe Street, Vancouver V6C 1H2, with the registered address and records office located at 8681 Clay Street, Mission BC V4S 1E7.

The Company’s exploration activities are currently focused on mineral properties situated in Argentina and Canada.

The Company is listed on the TSX Venture Exchange (“TSXV”) and trades under the symbol “NDR”.

## **HIGHLIGHTS FOR THE PERIOD ENDED FEBRUARY 29, 2020 AND TO THE DATE OF THIS REPORT**

### **Projects**

- On April 7, 2020 the Company announced that it had successfully completed its earn-in to a 100% interest in the Savant Lake high-grade gold project in northwestern Ontario.
- The Savant Lake project covers 202 square kilometres of underexplored but highly prospective Archean stratigraphy for the discovery of both high-grade, iron formation-hosted gold deposits, and base metal-rich massive sulfide deposits. Seven priority target areas (5 high-grade gold and 2 massive sulfide) have been identified to date at Savant Lake for drill testing (see Company News Release dated December 2, 2019). A further 26 square kilometres of new exploration claims were staked by the Company in June, 2019, over interpreted extensions to the known priority target areas. An initial 3,500m diamond drill program has been designed for the Savant Lake project, with the Company currently evaluating both Corporate and Project level funding alternatives for the drill program.
- On April 1, 2020 the Company announced it had entered into an agreement with Austral Gold Limited (“Austral”)(ASX: AGD; TSX.V: AGLD) for the purchase of an 80% interest in the Company’s Sierra Blanca gold-silver project in Santa Cruz Province, Argentina for US\$800,000 in cash and work

commitments, with a 'follow-on' option to purchase the remaining 20% interest for an additional US\$2,300,000 in cash and work commitments. The signing of the Definitive Agreement for Sierra Blanca is currently expected to occur in early June, 2020, having been delayed by the ongoing shutdown of both provincial government entities and legal and notarial services - all required for the due diligence process - as a result of the Covid-19 pandemic.

- On February 26, 2020 the Company noted Yamana Gold's (or "Yamana")(TSX:YRI; NYSE:AUY) update on exploration activities on its pipeline of highly-prospective gold projects, including the Domain Joint Venture ("JV") in Manitoba. Domain is a 70.6%:29.4% JV between Yamana and New Dimension. Yamana commented that they will continue to engage with the Bunibonibee Cree Nation in 2020 in an effort to reach a mutually beneficial agreement supporting the advancement of exploration within the large, prospective land package at Domain.
- On December 2, 2019, the Company provided an update on its drill target generation activities at both the Savant Lake and Sierra Blanca projects. At Sierra Blanca, a preliminary drill program of 3,200m was designed with two principal objectives: i) a shallow drill program designed to target high-grade oxide mineralization in the Chala-Achen vein system, and ii) a first pass test of priority gold-bearing sulfide targets in the Ana, Tranquilo, and Laguna vein fields.
- The Company continues to evaluate strategic alternatives for its 100%-owned Las Calandrias project in Santa Cruz Province. Project-related movements were restricted starting March, 2020 as a result of the lockdown imposed by the Argentine government on non-essential travel and activities.
- In addition, the Company continues to review new gold and base metal opportunities located in favourable jurisdictions and with the potential to complement the Company's existing portfolio of projects.

### **Corporate**

- On February 18, 2020, the Company received a further cash injection of \$115,000 by entering into a short-term loan agreement with Sandstorm Gold Limited ("SSL"). The loan and interest of 10% per annum, compounding quarterly, carries an initial 3 month term but may be rolled over for successive three month periods until such time as payment is made.
- On March 23, 2020, the Company received a further cash injection of \$100,000 by entering into a short-term loan agreement with SSL. The loan and interest of 10% per annum, compounding quarterly carries an initial 3 month term but may be rolled over for successive three month periods until such time as payment is made.

### **OUTLOOK**

The Company's planned corporate and exploration operations have been impacted by the uncertainty created by the global pandemic COVID-19 announced by the World Health Organisation on March 11, 2020. The COVID-19 pandemic is having a negative impact on stock markets, currencies and business activities globally. The full impact of COVID-19, on the Company or the Jurisdictions in which we operate, cannot be fully determined; but there may be potential negative impacts on the Company's ability to raise capital funds, planned exploration programmes, cash flows and liquidity.

Exploration activities for the remainder of fiscal 2020 will continue to be focused on the advancement to drilling of the Company's Savant Lake gold project in Ontario, and the Company's 860 square km Santa Cruz portfolio, with particular emphasis on the Sierra Blanca project. The Company will also continue to review new precious and base metal opportunities with the potential to host significant new mineral deposits.

The volatility of stock markets and precious and base metals have eroded investor confidence to the extent that both advanced and junior companies have had a difficult time obtaining equity financing on reasonable terms. The Company is currently evaluating all financing options available to the Company at both the corporate and project level. The Company is seeking additional equity funding or alternative financing options to fund its

ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding or securing alternative financing options.

## **EXPLORATION ASSETS AND ACTIVITIES**

### **CANADA**

#### Savant Lake Gold Project, Ontario, Canada (NDR 100%)

During the period, the Company successfully completed its earn-in to 100% interest in the Savant Lake project through the payment of \$30,000 to the underlying vendors on April 1, 2020.

The Savant Lake Project is located within the Archean-age Savant-Sturgeon Lake greenstone belt, some 240 km NW of Thunder Bay and 240 km S of Newmont-Goldcorp's operating Musselwhite mine (Proven and Probable Reserves at December, 2019: 9.9 MT @ 6.52 g/t Au for 2.09Moz Au)<sup>1</sup>. The original Savant Lake property covers approximately 202 square kilometres of underexplored meta-volcanic and meta-sedimentary rocks which are prospective for both iron formation- / shear zone-hosted gold and base metal-rich (copper-zinc-gold) massive sulfide (VMS) deposits. A further 26 square kilometres of new exploration claims were staked in June, 2019, to cover interpreted extensions to key gold and base metal target areas.

Work completed by the Company at Savant Lake to December, 2019, was focused on fine-tuning drill hole locations through the incorporation of detailed geochemical data (including trace and "pathfinder" elements) into the 7 priority target areas that were previously defined on the basis of geology, geophysics, and known gold showings. As a direct result of this work, an initial 3,500m diamond drill program has been designed for the Savant Lake project. The Company is in the process of evaluating both Corporate and Project level funding alternatives for this initial drill program.

The underlying vendors of the Savant Lake property retain a 2% Net Smelter Royalty ("NSR") on future metal production from the Project; one half (1%) of this NSR may be acquired for \$1 million.

<sup>1</sup> Mineralization hosted on adjacent and nearby properties is not necessarily indicative of mineralization that may be hosted on the Company's Savant Lake Project.

#### Domain Gold Project, Manitoba, Canada (Yamana Gold Inc. 70.4% - New Dimension 29.6%)

Yamana Gold Inc. ("Yamana") provided an update on its pipeline of highly-prospective gold projects, including the Domain Gold Project in Manitoba, on February 26, 2020. Domain is a 70.6%:29.4% JV between Yamana and New Dimension, with Yamana being the Project Operator.

The Domain JV claims total 576 hectares and cover an area in which 62 holes / 9,660m of historic drilling have been completed and which successfully delineated significant high-grade, iron formation-hosted gold mineralization. Notable intercepts from this drilling include: RR-08-23, 2.65 metres ("m") at 17.44 grams per tonne ("g/t") of gold ("Au") and 2.67m at 10.43 g/t Au; RR-08-21, 2.70m at 15.16 g/t Au; and RR-08-20, 9.0m at 7.29 g/t Au (see Company News Release dated June 12, 2017). True widths are estimated to be 80-100% of core length based on limited drilling.

Drilling to date at Domain has been focused on the "Main Zone", where high-grade, iron formation-hosted gold mineralization has been partially tested along some 800m of strike and remains open at both depth and along strike. The "Main Zone" mineralization lies on a prominent, northwest-trending HLEM (Horizontal Loop ElectroMagnetic) anomaly, and a combined strike length of approximately 5km of HLEM anomalies remain to be tested within the Domain JV area. Initial drilling of HLEM conductors during the last drill program in the winter of 2017 was successful in discovering additional gold mineralization.

Yamana is currently engaging with the Bunibonibee Cree Nation in an effort to reach a mutually beneficial agreement which will support the advancement of exploration during 2020 within this prospective land package.

Separately, New Dimension continues to evaluate strategic alternatives for both its direct interest and underlying 1% NSR in the Domain project.

## **ARGENTINA**

### Sierra Blanca Project, Santa Cruz (NDR 100%)

During the period, the Company announced that Austral Gold (“Austral”) has agreed to purchase the first 80% interest in the New Dimension Argentine subsidiary that owns the Sierra Blanca project in two tranches through a combination of cash payments and project-level work commitments as follows:

Tranche 1: Austral will acquire a 51% interest for US\$100,000 in cash payments to New Dimension plus the expenditure of US\$100,000 in work commitments at the project over the 12-month period following closing.

Tranche 2: Austral will acquire an additional 29% interest for US\$600,000 in work commitments on the project over the second- and third-years following closing (US\$200,000 during the second year and US\$400,000 during the third year).

Austral has also agreed to pay up to US\$10,000 per year towards the cost of maintaining the Sierra Blanca mining properties in good standing over the three-year term. Austral plans to fund the cost of the transaction from cash flow generated from operations.

After it has acquired its 80% interest in the project, Austral will have the option to acquire the remaining 20% as follows:

- 10% in Year 4 for the expenditure of an additional US\$400,000 in work commitments on the project over the 12-month period following payment to New Dimension of US\$500,000.
- 10% in Year 5 for the expenditure of an additional US\$400,000 in work commitments on the project over the 12-month period following payment of \$US1,000,000 to New Dimension.

The signing of the Definitive Agreement for Sierra Blanca is currently expected to occur in early June, 2020, having been delayed by the ongoing shutdown of both provincial government entities and legal and notarial services - all required for the due diligence process - as a result of the Covid-19 pandemic.

Sierra Blanca is an advanced, high-grade silver-gold project which is located approximately 40km NW of AngloGold Ashanti’s Cerro Vanguardia gold-silver mine (and immediately adjacent to Austral Gold’s Pinguino silver-gold project) in Santa Cruz Province, southern Argentina.

Previous work at Sierra Blanca by Mariana Resources Ltd had mostly been focused on the E-W-trending Chala-Achen and Lucila vein systems, where high-grade silver values had been derived from channel sampling (including 9.4m @ 2,362 g/t Ag at Chala-Achen; see Company News Release dated March 4, 2019).

Exploration activities undertaken at Sierra Blanca during H2 2019 were focused on finalizing and prioritizing drill targets in the extensive NW-trending Ana, Tranquilo, and Laguna "vein fields", which are located immediately to the south of the Chala-Achen and Lucila vein systems. The drill targeting program was completed using a combination of new mapping, surface sampling, and a 16-trench program designed to delineate potential lateral extensions to known veins under post-mineral cover. This exploration program was successful in defining anomalous silver-gold assays in rock chip samples over approximately 2 km strike of the main Ana vein system, with strong flanking “pathfinder” element anomalies (particularly arsenic) defined in both rock chips and adjacent soil samples. This geochemical association is interpreted by the Company to represent a high-level in the epithermal vein system (and therefore overlying any potential high-grade precious metal mineralization). In

addition, previously unrecognised high-grade Au-Ag mineralisation was identified along the SE end of the Tranquilo vein. Rock chip sampling at Tranquilo has returned assays ranging from geochemically anomalous to high-grade, with a best grab sample of 10 g/t Au + 150 g/t Ag.

Based on this work, a preliminary drill program of 3,200m had been designed for Sierra Blanca with two principal objectives: i) a shallow drill program designed to define oxide mineral resources in the Chala-Achen vein system, and ii) a first pass test of priority gold-silver targets in the Ana, Tranquilo, and Laguna vein fields.

#### Las Calandrias Project, Santa Cruz (100% NDR)

Las Calandrias is an advanced gold-silver project located immediately adjacent to the recently commissioned Minera Don Nicolas mining operation in Santa Cruz province, southern Argentina. The project currently contains two main mineralized zones: i) the bulk-tonnage, dome-hosted Calandria Sur deposit and ii) the high-grade Calandria Norte and Morena vein/breccia deposits. The Company also owns 230 square kilometres of surface rights (the “Estancia Las Calandrias”) which cover the known deposits at Las Calandrias.

Work at the Las Calandrias project during 2019 was restricted to metallurgical testwork on high-grade gold-silver samples from the Calandria Norte and Morena vein/breccia systems. On June 18, 2019, the Company reported that 92% gold recoveries were returned from preliminary bottle roll leach tests performed on two composite drill core samples from the Calandria Norte and Morena vein/breccia zones. The leach tests were performed in Parksville, British Columbia by Blue Coast Research (“Blue Coast”), with the main objectives being to i) confirm the high gold recoveries returned from earlier LeachWELL tests performed on Calandria Norte mineralization and ii) provide high-level metallurgical data on the potential compatibility of the high-grade Calandria Norte and Morena gold mineralization with the processing circuits utilized in industry-standard gold-silver leach circuit.

During Q1 2020, the Company undertook internal desktop studies on potential development options for the high-grade Calandria Norte mineral resource. These studies are ongoing.

The current Mineral Resource Estimate (“MRE”) for the Las Calandrias Project is summarized below (see also Company News Release dated October 5, 2018):

#### *Calandria Sur Deposit – Mineral Resources within constraining shell\*:*

Resource	Cut-off Grade (gpt Au)	Tonnage (,000 t)	Grades		Contained Metal	
			Au (gpt)	Ag (gpt)	Au (oz Au)	Ag (oz Ag)
<b>Indicated</b>	Varied	7,424	1.33	24.65	<b>318,000</b>	<b>5,884,000</b>
<b>Inferred</b>	Varied	1,739	0.73	7.17	<b>41,000</b>	<b>401,000</b>

#### **\*Notes to Accompany Calandria Sur MRE:**

Summation errors may occur due to rounding;

Mineral Resources are reported within an optimized constraining shell;

Block matrix is 6m x 6m x 5m (length x width x height);

Grades are estimated by ID3 interpolation;

Density was interpolated by ID2. Blocks not populated by ID2 were assigned the mean density 2.21;

Cut-off grade for MRE varies by oxide zone (0.3 g/t Au oxide; 0.4 g/t Au transition; and 0.8 g/t Au primary zones);

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability

Constraining pit parameters: (in \$US)

Metal Price: \$1,400/oz Au; \$18.50/oz Ag (based on 3 year rolling average seller’s prices)

Metal Recoveries: Au (94%-oxide; 73% transition; 80% primary), Ag (88%-oxide; 78% transition; 80% primary)

Mining Cost: \$2.50/t

Processing plus General and Administration: \$11-oxide; \$11-transition; \$25-primary

Pit Slope: 45°

*Calandria Norte Deposit – Mineral Resources within constraining shell \*\*:*

Resource	Cut-off Grade (gpt Au)	Tonnage (,000 t)	Grades		Contained Metal	
			Au (gpt)	Ag (gpt)	Au (oz Au)	Ag (oz Ag)
<b>Indicated</b>	>0.8	604	3.12	8.20	<b>61,000</b>	<b>159,000</b>
<b>Inferred</b>	>0.8	19	1.31	0.69	<b>1,000</b>	<b>400</b>

*Calandria Norte Deposit - Mineral Resources below constraining shell\*\*:*

Resource	Cut-off Grade (gpt Au)	Tonnage (,000 t)	Grades		Contained Metal	
			Au (gpt)	Ag (gpt)	Au (oz Au)	Ag (oz Ag)
<b>Indicated</b>	>1.5	131	2.82	6.30	<b>12,000</b>	<b>27,000</b>
<b>Inferred</b>	>1.5	2	1.71	2.01	<b>100</b>	<b>100</b>

**\*\*Notes to Accompany Calandria Norte MRE:**

Summation errors may occur due to rounding;  
 Mineral Resources are reported within, and below, an optimized constraining shell;  
 Block matrix is 5m x 3m x 5m (length x width x height);  
 Grades are estimated by ID3 interpolation;  
 Density was assigned the mean density 2.41;  
 Cut-off grade used for reporting MRE within constraining shell is 0.8 g/t Au;  
 Cut-off grade used for reporting MRE below constraining shell is 1.5 g/t Au  
 Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.  
 Constraining pit parameters: (in \$US)  
 Metal Price: \$1,400/oz Au; \$18.50/oz Ag (based on 3 year rolling average seller's prices)  
 Metal Recoveries: Au (80%), Ag (84%)  
 Mining Cost: \$2.50/t  
 Processing plus General and Administration: \$25  
 Pit Slope: 45°

Mineral resources at the Calandria Sur deposit are also bounded to the south by the Calandria I claim block boundary. Mineralization is known to cross into concessions currently controlled by Minera Don Nicolas.

**Los Cisnes Project, Santa Cruz (100% NDR)**

Los Cisnes is an exploration stage high-grade gold-silver project located approximately 75km SW of Yamana Gold Inc.'s Cerro Moro gold-silver mine, Santa Cruz Province, southern Argentina.

Exploration activities completed at Los Cisnes during 2019 resulted in the discovery of two new high-grade gold-silver vein zones, Bagual and Potranca, both of which are located immediately adjacent to the mineralised Brio structure. The NE-trending Bagual vein/breccia system is currently known to extend over some 900m in length, with select rock-chip samples taken along the vein having returned gold-silver assays ranging from geochemically anomalous to high-grade, with a best sample of 109 g/t Au + 1,031 g/t Ag. Gold and silver assays from the three rock-chip samples taken from the nearby N-S-trending Potranca vein zone range between 0.3 g/t and 5.6 g/t Au, and 7 g/t and 267 g/t Ag. Further exploration to determine the upside potential of these new vein discoveries is underway.

An initial 8-trench exploration program was also completed at Los Cisnes during 2019. Assays confirmed the presence of high-grade gold-silver mineralization in the Bagual vein, with highlights including:

- High-grade gold-silver assays (37.5 g/t Au + 6 g/t Ag over 1.0 m and 9.7 g/t Au + 8 g/t Ag over 0.6m) were returned from two channel samples in Trench 1, which was cut perpendicular to the main Bagual

structural corridor. Trench 1 is located approximately 20 m north-east of the Bagual "discovery" grab sample which assayed 109 g/t Au + 1,031 g/t Ag.

- Gold-silver mineralisation in Trench 1 is associated with strongly-oxidized quartz-sulfide(-Fe-oxide)-bearing stockworks and breccia zones and lies under <1m of post-mineral overburden.

Drill target generation activities at Los Cisnes are ongoing, with the primary focus being the Bagual and Potranca vein systems.

All information relating to exploration activities has been reviewed by Eric Roth, Chief Executive Officer and Executive Director of New Dimension Resources. Mr Roth holds a Ph.D. in Economic Geology from the University of Western Australia, is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and is a Fellow of the Society of Economic Geologists (SEG). Mr Roth has over 25 years experience in international minerals exploration and mining project evaluation.

The Los Cisnes Project, Sierra Blanca Project and Savant Lake Project do not contain any mineral resource estimates as defined by NI 43-101. The potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient exploration to define a mineral resource for targets of each of the projects disclosed herein. It is uncertain if further exploration will result in these targets being delineated as a mineral resource.

#### Exploration and Evaluation Expenditures

	Las Calandrias Santa Cruz, Argentina	Los Cisnes, Santa Cruz, Argentina	Sierra Blanca, Santa Cruz, Argentina	Savant Lake, Ontario, Canada	Total
	\$	\$	\$	\$	\$
<b>Balance, May 31, 2018</b>	<b>1,723,786</b>	<b>290,793</b>	<b>281,041</b>	<b>1,156,533</b>	<b>3,452,153</b>
Acquisition and tenure	-	-	-	3,375	3,375
Camp, travel, administration and other costs	247,715	62,637	22,452	33,545	366,349
Geologists and data collection	381,835	151,659	25,313	14,738	573,545
Drilling and assay costs	706,413	348,882	-	28,059	1,083,354
<b>Balance February 28, 2019</b>	<b>3,059,749</b>	<b>853,971</b>	<b>328,806</b>	<b>1,236,250</b>	<b>5,478,776</b>
Acquisition and tenure	-	-	-	45,000	45,000
Camp, travel, administration and other costs	30,237	15,200	7,739	22,079	75,255
Geologists and data collection	26,160	24,899	(18,151)	-	32,908
Drilling and assay costs	-	11,447	42,086	(15,961)	37,572
Foreign exchange movement	(50,879)	(25,098)	(1,640)	-	(77,617)
<b>Balance May 31, 2019</b>	<b>3,065,267</b>	<b>880,419</b>	<b>358,840</b>	<b>1,287,368</b>	<b>5,591,894</b>
Camp, travel, administration and other costs	72,919	12,561	11,039	15,621	112,140
Geologists and data collection	182,126	4,687	6,605	-	193,418
Drilling and assay costs	-	-	-	-	-
IAS 29 adjustment - historic	426,266	188,862	11,665	-	626,793
Foreign exchange movement	(470,877)	(208,957)	(13,352)	-	(693,186)
<b>Balance, February 29, 2020</b>	<b>3,275,701</b>	<b>877,572</b>	<b>374,797</b>	<b>1,302,989</b>	<b>5,831,059</b>

As the functional currency of the Argentinean entities is the Argentinean Peso ("ARS") and the reporting currency of NDR is Canadian Dollars, the value of the exploration costs in Argentina are subject to change each reporting period due to exchange rate fluctuations. As a result of the application of IAS 29, exploration and evaluation assets were restated for the impact in the movement in inflation during the current period. As a result,

an adjustment of \$33,140 was recognised in relation to additions in the nine months ending February 29, 2020, and \$626,793 was recognised in relation to historic balances. These adjustments (total \$659,933) have been included as a net monetary gain in Other Comprehensive Income/(Loss) in the Condensed Interim Consolidated Statement of Loss and Comprehensive Loss as at February 29, 2020.

Refer to *Financial Condition, Liquidity, Capitals Resources, Operations and Financial Results* section below for further details.

## **FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES, OPERATIONS AND FINANCIAL RESULTS**

### **OVERALL PERFORMANCE**

Argentina is officially considered to be a hyperinflationary economy due to the inflation rate exceeding 100% consistently for three years (47.6% being the official government inflation rate as published by the Argentine government in 2018) and several other qualitative factors. As a result, IAS 29 is applied, which requires financial statements based on historical cost be restated to correct the loss of purchasing power of the Argentinean peso. Entities with the Argentinean peso as their functional currency apply the requisite Wholesale Price Index as published by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences (“FACPCE”) from the beginning of the period in which the economy became hyperinflationary. As a result, financial results are presented as if the Argentinean economy had always been hyperinflationary. Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current as at February 29, 2020. Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit as at February 29, 2020) are restated by applying the relevant index. Once the financial results of the Argentinean subsidiaries were adjusted for inflation the restated financial statements were translated at the closing rates into the presentation currency of the Company, being C\$.

The Company is not required to restate prior balances as the inflation adjustment is treated as a non-adjusting post-balance sheet event in relation to prior reporting periods.

The net monetary gain of \$674,679 resulting from a net monetary gain of \$659,933 in relation to the restatement of non-monetary assets and liabilities, and a net monetary gain of \$14,746 relating to the restatement of income and expenditure items for the nine months ending February 29, 2020 has been recorded in Other Comprehensive Income in the Condensed Interim Consolidated Statement of Loss and Comprehensive Loss for the nine months ending February 29, 2020.

Balances included in the Condensed Interim Statement of Cash Flows have been adjusted to reflect the application of IAS 29, and as a result the balances presented in the cash flow will differ from the actual cash flows at the time of the transaction. The requisite Wholesale Price Index has been applied to relevant movements in the period and the resulting impact is reflected in the foreign exchange movement in the Condensed Interim Statement of Cash Flows.

The Wholesale Price Index for each relevant month as published by the FACPCE is detailed below:

Month	Wholesale Price Index	Wholesale price index at reporting period end
Jun-2018	144.81	295.67
Jul-2018	149.30	295.67
Aug-2018	155.10	295.67
Sep-2018	165.24	295.67
Oct-2018	174.15	295.67
Nov-2018	179.64	295.67
Dec-2018	184.26	295.67
Jan-2019	189.61	295.67
Feb-2019	196.75	295.67
Mar-2019	205.96	295.67
Apr-2019	213.05	295.67
May-2019	219.57	295.67
Jun-2019	225.54	295.67
Jul-2019	230.49	295.67
Aug-2019	239.61	295.67
Sep-2019	253.71	295.67
Oct-2019	262.07	295.67
Nov-2019	273.22	295.67
Dec-2019	283.44	295.67
Jan-2020	289.83	295.67
Feb-2020	295.67	295.67

During the nine months ended February 29, 2020 the Company incurred a loss of \$718,870 (February 29, 2019 \$1,511,893) as it maintained its public listing and continued to explore and promote its Argentinean and Canadian projects. The Company will seek additional equity funding or alternative financing options to fund current and ongoing exploration activities and general and administrative costs.

## FINANCIAL POSITION

A summary of the Company's financial position is as follows:

	February 29, 2020	May 31, 2019	May 31, 2018
	\$	\$	\$
Current assets	169,445	112,722	3,810,482
Non-current assets	5,831,059	5,591,894	3,928,729
Current liabilities	1,951,901	(1,246,606)	(1,356,432)
Non-current liabilities	1,172,251	(1,125,702)	(1,487,210)
Shareholders' equity	<b>2,876,352</b>	<b>3,332,308</b>	4,895,569

Included in current assets at February 29, 2020 is cash of \$130,008, receivables of \$17,416 and prepaid expenses of \$22,021. The increase in current assets in the current period is mainly attributable to loan funds received during the period used to further develop the Company's exploration activities and payment of corporate costs incurred to support the Company's operations.

The increase in non-current assets reflects the exploration expenditure incurred during the period adjusted for inflation, as well inflation adjustment to historic exploration expenditure balances, as required by IAS 29 offset by the devaluation of the Argentinean peso from the year end.

Current liabilities of the Company include accruals accounts payable and other liabilities totalling \$1,412,837. These balances can fluctuate from period to period depending on the level of exploration activity and corporate activities undertaken by the Company. At February 29, 2020 these liability balances mainly comprise of directors' fees payable of \$96,476, fees payable to the CEO of \$90,000, consulting fees payable of \$68,939, fees payable and accrued for accounting and audit purposes of approximately \$91,119; balances owed to suppliers and employees in relation to ongoing activities in Argentina of \$361,863, short term loan to SSL of \$315,000 (and accrued interest of \$11,178) and unsecured loans to directors of \$69,221.

The Company has also recognised a contractual obligation as part of the acquisition of the Argentinean entities. Under the terms of the acquisition agreement the Company is to pay up to \$400,000 per year to an affiliate of Sandstorm Gold Limited ("SSL") in either shares or cash, for a period of up to 15 years, however, management has assessed that the contractual obligation period will not extend beyond five years. Management considered the terms of the agreement and the expected timeline for completion regarding each potential end to the obligation payments in making this judgment. The Company has recorded a discounted value of \$1,711,315 for this liability in its financial statements, split between current and non-current liabilities. It has also recognised \$24,109 in interest for the nine-month period in the Condensed Interim Consolidated Statement of Income and Loss.

The Company was required to deliver to SSL the first annual payment in relation to the contractual obligation of payment of \$400,000 in shares. As agreed with SSL this payment was to be made by the issuance of 8,000,000 shares at \$0.05. On September 26, 2019 the Company issued 4,600,000 shares as partial payment of the first annual payment, with the balance continuing to be deferred as the issuance of these shares will cause SSL to hold, directly or indirectly, more than 19.9% of the outstanding shares of the Company. The issuance of these shares will be deferred until five Business Days after SSL delivers written notice to the Company that the issuance of such deferred shares will no longer cause SSL to exceed this threshold.

The Company is currently in negotiations with SSL to revise the annual payments under the contractual obligation payable agreement.

## RESULTS OF OPERATIONS

The following is a breakdown of significant operating costs incurred for the periods ending:

	Three months		Nine months	
	Ended February 29, 2020 \$	Ended February 28, 2019 \$	Ended February 29, 2020 \$	Ended February 28, 2019 \$
Management and administrative fees	119,144	137,445	291,634	458,747
Share-based payments	2,272	80,468	66,390	573,217
Salaries and benefits	6,963	40,792	132,296	197,151
Office and general	49,046	22,062	86,033	124,241
Professional fees	22,827	27,873	70,089	87,550
Shareholder information and meetings	21,348	5,847	44,163	67,840
Regulatory and transfer agent fees	1,908	10,430	13,559	23,225
Interest and other expense	10,297	-	32,204	-
Contractual obligation interest	8,037	9,599	24,109	28,797

## Discussion of operations

*Three months ended February 29, 2020 and February 28, 2019*

During the three months ended February 29, 2020 (“current three-month period”), the Company recorded a net loss of \$221,386 compared to a net loss of \$331,311 for the three-month period ended February 28, 2019 (“comparative three-month period”).

The decrease in loss for the current three-month period is a result of; a reduction of \$78,196 in relation to share-based payments expense as the cost fluctuates each reporting period as the cost of each issue is recognised over the vesting periods of the options granted; a decrease in management and administrative costs as the Company looked to decrease costs and manage working capital; as well as the impact of the devaluation of the Argentinean peso against the Canadian dollar when compared to that of the comparative three-month period. The Company also recognised income of \$17,914 due to IVA receivable being receipted during the period from the Argentinean authorities and a gain on sale of equipment of \$18,037, offsetting costs during the current three-month period.

Significant costs are detailed further below.

Management and administrative fees decreased by \$18,301 in the current three-month period compared to the comparative three-month period mainly due to a decrease in costs related to: non-executive director fees of \$26,400, a decrease in CEO fees of \$20,000 and an increase in consulting fees of \$26,673 as the company made redundant its full-time employees and moved to a contractual basis in an effort to conserve cash and to effectively manage workflow.

Salaries expenses decreased by \$33,829 due mainly to the redundancy of NDR’s full-time employees during the current period and the move to engage personnel on a contractual basis in order to reduce costs and increase efficiencies.

Office and general costs increased in the current three-month period by \$26,984 when compared to the comparative three-month period due to a change in timing of costs recognised in relation to the maintenance of Guernsey corporate entities.

Shareholder and information meetings expense increased by \$15,501 in the current three-month period due to a difference in timing of conference costs being recorded in the current period when compared to the prior period.

Regulatory and transfer agent fees have decreased by \$8,522 in the current three-month period due to a decrease in listing and filing fees. Higher listing and filing fees were incurred in the prior period due to fees incurred related to the addition of a non-executive director and the private placement completed.

Interest and other expense have increased by \$10,297 in the current period due mainly as a result of the write off of IVA receivable in Argentina of \$5,689 and recognition of interest on the loan payable to SSL of \$4,608.

The Company capitalizes all acquisition and exploration costs until the property to which those costs relate is placed into production, sold or abandoned. The decision to abandon a property is largely determined from exploration results and the amount and timing of the Company’s write-offs of capitalized mineral property costs will vary from one year to the next and typically cannot be predicted in advance.

## SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly financial information of NDR and is derived from unaudited quarterly financial statements prepared by management.

Period	Revenues \$	Net loss for the period \$	Net loss per share for the period \$
Three months ended February 29, 2020	Nil	221,386	0.00
Three months ended November 30, 2019	Nil	251,230	0.00
Three months ended August 31, 2019	Nil	246,254	0.00
Three months ended May 31, 2019	Nil	952,732	0.02
Three months ended February 28, 2019	Nil	331,311	0.01
Three months ended November 30, 2018	Nil	530,463	0.01
Three months ended August 31, 2018	Nil	650,120	0.01
Three months ended May 31, 2018	Nil	378,206	0.02

The Company's quarterly results can be affected by many factors such as winter conditions and/or seasonal fluctuations, variations in capital markets, the write-off of capitalized amounts, share-based payment costs, tax recoveries and other factors that affect Company's exploration and financing activities.

Mineral exploration is often a seasonal business, and the Company's expenditures and cash requirements may fluctuate depending upon the season.

The Company's expenditures may also be affected by the strength of capital markets. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level may decline as a result of difficulties raising funds. When capital markets strengthen and the Company is able to secure equity financing with favourable terms, the Company's activity levels and the size and scope of planned exploration projects may increase.

The Company's loss of \$221,386 for the third quarter of fiscal 2020 is lower than that of the comparative quarter due mainly to a reduction in share based payment expense and a general reduction in fees paid and administrative costs management looked to decrease costs. Refer to *Results of Operation* section for further details.

The Company's loss of \$251,230 for the second quarter of fiscal 2020 is lower than that of the comparative quarter due to a reduction in share base payments expenses and a general decrease in management and administrative costs, and shareholder information expenses as the Company continued to look for areas to decrease expenditure.

The Company's loss of \$246,254 for the first quarter of fiscal 2020 is lower than that of the comparative quarter in 2018 due mainly to the reduction in shared based payment expense, as this costs fluctuates from period to period as the cost recognised over the vesting period of the options issued, and a reduction in operating costs as the Company has looked for opportunities to reduce expenditure.

The Company's loss of \$952,732 for the fourth quarter fiscal 2019 is higher than that of the comparative quarter in 2018 due to the write off of IVA receivable of \$603,674. This increase in loss was offset slightly by a decrease in some costs that were higher in the comparative quarter due to the increased activity related to the private placement and the acquisition of the Argentinean assets.

The Company's loss of \$331,311 for the third quarter fiscal 2019 reflects the expanded operations and activities of the Company when compared to the comparative prior period with greater expenditure on salaries and fees paid to directors, officers, employees and consultants of the group, as well as the recognition of the cost associated with the issue of options to management, directors and consultants of the company. These costs combined with

greater investor relations activities and increased administrative and general costs, due to the expanded operations and activities of the Company, has resulted in a larger loss when compared to the comparative period.

The Company's loss of \$530,463 for the second quarter fiscal 2019 reflects the expanded operations and activities of Company following the acquisition of the Argentinean assets, and changes to its corporate structure in the year ended May 31, 2018. These changes resulted in an increase in employee numbers and associated employment costs; administrative and management costs and fees paid to non-executive directors due to the larger size and complexity of the Company; as well as increased investor relations costs as the Company attended various investor conferences during the period. The increase in loss has also been impacted by the recognition of the cost of share-based compensation for options issued during the period of \$166,805.

The Company's loss of \$650,120 for the first quarter fiscal 2019 reflects the increase in administrative costs due to the increase in size and complexity of the Company following the acquisition of the Argentinean assets, and changes to its corporate structure in the year ended May 31, 2018, as well as recognition of the cost of share-based compensation for options issued during the period of \$325,944.

The Company's loss of \$378,206 for the fourth quarter of fiscal 2018 largely reflects its administrative operations related to the potential acquisition of the Argentinean assets, year-end charges and the cost of maintaining its public listing.

## SEGMENT INFORMATION

The Company's business consists of only one reportable segment, mineral exploration and development. Details on a geographic basis are as follows:

	<b>February 29, 2020</b>	May 31, 2019
	\$	\$
<b>Total Non-current assets</b>		
Canada	1,302,989	1,287,368
Argentina	4,528,070	4,304,526
	<b>5,831,059</b>	<b>5,591,894</b>

## LIQUIDITY AND CAPITAL RESOURCES

As at February 29, 2020 the Company had cash of \$130,008. The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Interim Financial Statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The Company has incurred an accumulated deficit of \$12,883,978 at February 29, 2020 and has no current source of revenue. It is important to note the Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. In order to continue normal course of operations the Company is seeking additional equity funding, or alternative options, to fund ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding, or in securing alternative financing options.

The Company's planned corporate and exploration operations have further been impacted by the uncertainty created by the global pandemic COVID-19 announced by the World Health Organisation on March 11, 2020. The COVID-19 pandemic is having a negative impact on stock markets, currencies and business activities globally. The full impact of COVID-19, on the Company or the Jurisdictions in which we operate, cannot be

fully determined; but there may be potential negative impacts on the Company's ability to raise capital funds, planned exploration programmes, cash flows and liquidity.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity and the state of the financial markets. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record and the experience and caliber of its management.

On March 8, 2019, the Company announced the completion of a private placement of 13,374,100 units at \$0.055. Gross proceeds of \$735,575 were used for exploration activities and general working capital.

In July 2019, the Company received cash of \$30,000 by entering into an unsecured, interest free loan with no pre-set repayment terms with director E. Roth. A further \$5,000 was received in October 2019 and a further \$14,221 was received in December 2019 from E. Roth on the same terms as the previous loan.

On August 8, 2019, the Company received a cash injection of \$200,000 by entering into a short-term loan agreement with SSL. The loan and interest of 10% per annum, compounding quarterly, carried an initial 3 month term but may be rolled over by mutual agreement for successive three month periods until such time as payment is made. An additional cash injection of \$115,000 was received from SSL in February 2020 on the same terms as the earlier loan. Interest of \$11,178 has been accrued on the SSL loans for the nine-month period ending February 29, 2020. SSL provided a further \$100,00 on March 23, 2020 under the same terms as the previous loans.

In September 2019, the Company received \$20,000 by entering into an unsecured, interest free loan with no pre-set repayment terms with director M. Little. Proceeds of the loans were used for ongoing working capital requirements of the Company.

The Company is currently evaluating all financing options at a Company and a project level in order to continue its normal course of operations. The Company intends to continue to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

### *Operating Activities*

During the nine months ended February 29, 2020, the Company used \$175,519 (comparative nine-month period – \$1,272,109) of cash to fund the ongoing operating activities of the Company. The cash used in operations reflects the loss incurred from operations of \$718,870 (comparative nine-month period - \$1,511,895) adjusted for the changes in working capital items such as accounts receivable and accounts payable and non-cash items. Non-cash items include share-based payments of \$66,390 (comparative nine-month period - \$573,217), interest on contractual obligation payable \$24,109 (comparative nine-month period: \$28,797), gain on sale of equipment of \$18,037 (comparative nine-month period: \$nil), write off of IVA receivable \$21,026 (comparative nine-month period: \$nil) and interest on loan \$11,178 (comparative nine-month period: \$nil).

### *Investing Activities*

During the period ended February 29, 2020 the Company incurred net cash in investing expenditures of \$95,947 (comparative nine-month period - \$2,281,165) due to activities related to its Argentinean exploration projects, offset by proceeds from the sale of equipment of \$18,037.

### *Financing Activities*

During the nine months ended February 29, 2020, the Company received a short-term loans totalling of \$315,000 from SSL and an unsecured, interest free loans totalling of \$69,221 from two directors of the Company to assist in funding general working capital and exploration requirements.

The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

## COMMITMENTS

Please refer to the Annual Financial Statements for details on the Company's exploration and evaluation asset commitments.

## OFF BALANCE SHEET ARRANGEMENTS

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

## OUTSTANDING SHARE DATA

	Price	Expiry date	Number of common shares
Common shares issued and outstanding			66,773,832
Securities convertible into common shares			
Options			
	\$0.25	May 11, 2020	282,600
	\$0.38	May 19, 2021	141,400
	\$0.34	March 27, 2022	60,000
	\$0.25	June 4, 2023	3,350,000
	\$0.15	October 18, 2023	250,000
Warrants	\$0.125/0.25*	March 8, 2022	7,062,350
			<b>77,920,182</b>

\* exercise price is \$0.125 to September 8, 2021 and \$0.25 thereafter until expiry March 8, 2022

During the year ended May 31, 2018, the Company consolidated its share capital on the basis of 2.5 to 1. All share, per share, stock option, share purchase warrant and other share information has been retroactively presented on a post-consolidated basis.

On June 4, 2018, the Company granted directors, officers, employees and consultants stock options entitling them to purchase 3,350,000 shares at a price of \$0.25 per share for a period of 5 years.

On October 18, 2018, the Company granted an aggregate of 250,000 incentive stock options to one director and one officer of the Company. The stock options are exercisable at a price of \$0.15 per share and will have a term of 5 years, expiring on October 18, 2023. Each stock option will allow the holder to purchase one common share of the Company.

All stock options granted are subject to staged vesting periods.

On March 8, 2019, the Company closed a private placement of 13,374,100 units at \$0.055. The units are comprised of one common share and one half of one share purchase warrant each whole warrant enabling the holder to acquire one additional common share at \$0.125 during the first 18 months and \$0.25 thereafter until expiry March 8, 2022. The warrants will be further subject to accelerated expiry terms. Namely, the Company has the right to accelerate expiry of the warrants if the closing price of Company's shares equals or exceeds \$0.25 per common share for 10 consecutive trading days during the first 18 months, or \$0.50 per common share thereafter.

On September 26, 2019, the Company issued 4,600,000 shares to SSL to partially fulfil the first-year annual obligation payment which was due on the anniversary date of acquisition under the original agreement with SSL. Refer to *Financial Position* section for further details.

## **RISKS AND UNCERTAINTIES**

NDR has no history of profitable operations and is an exploration stage company. As such, it is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and lack of revenues. The Company's planned corporate and exploration operations have been impacted by the uncertainty created by the global pandemic COVID-19 announced by the World Health Organisation on March 11, 2020 of which the duration and full impact is unknown at this time. .

Some of the Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Resource acquisition, exploration, development, and operation is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

### **Exploration Stage Company**

The Company is engaged in the business of acquiring and exploring mineral properties to locate economic deposits of minerals. All of its properties are in the early stages of exploration and are without defined mineral bodies. Advancement of the Company's properties will only occur after obtaining satisfactory exploration results. There can be no assurance that the Company's existing or future exploration programs will result in the discovery of economically recoverable mineral deposits. Further, there can be no assurance that even if an economic deposit of minerals is located, it can be commercially mined.

### **No Source of Operating Revenue and the Ability to Raise Capital to Fund Operations**

At present, the Company's operations do not generate cash inflows and the Company's continued existence depends on management's ability to raise additional equity financing, discover recoverable mineral deposits and sell or otherwise participate in the development of those projects. Many factors influence the Company's ability to raise funds, including the health of the commodity resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management will need to raise equity capital in the short term in order to continue as a going concern, but recognizes there are risks involved that may be beyond its control. If those risks fully materialize, the Company may not be able to raise adequate funds to continue its operations.

### **Political or economic instability in countries where the Company operates**

Certain of the Company's properties are located in countries which may be subject to political and economic instability, or unexpected legislative change which may delay or prevent exploration of properties or affect investor appetite for the Company's jurisdictions.

Exploration of the Company's properties could be adversely affected by:

- political instability and violence;
- war and civil disturbance;
- labour unrest or community relation issues;
- permitting issues
- expropriation or nationalization;
- changing fiscal regimes and uncertain regulatory environments;
- changes to royalty and tax regimes;
- underdeveloped industrial and economic infrastructure; and
- the unenforceability of contractual rights and judgments.

### **Competition**

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies in the search for and the acquisition of attractive mineral properties and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to advance its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or advancement. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects. In addition, there is a limited supply of good geological talent and drilling crews and equipment. There is no assurance that the Company will be able to acquire the supply of geological talent or drillers, executives or other employees or contractors that are required to complete exploration work in planned time frames

### **Title to Property**

The Company has taken precautions to ensure that legal titles to its property interests are properly recorded. There can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. In addition, some of the Company's properties are held in the names of others. Third parties may have valid claims underlying portions of the Company's interests and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate. In addition, the Company may fail, due to error, omission, or technological issues to renew its claims in a timely manner, potentially resulting in the loss of valuable claims to property.

### **Personnel**

NDR is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of NDR could result, and other persons would be required to manage and operate the Company.

### **Commodity Price Risk**

The market price of precious metals and other minerals is volatile and cannot be controlled.

## TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed below. Details of the transactions between the Company and other related parties are disclosed below.

### a) Related party transactions

The Company incurred the following transactions in the normal course of operations in connection with an officer and/or director or companies which have or had a director and/or officers in common.

	<b>Nine months ended February 29, 2020</b>	Nine months ended February 28, 2020
	\$	\$
Rent	-	4,800
Consulting (i)	205,597	334,081
Salary costs	49,519	117,859
Share-based payments	54,559	464,779

(i) Consulting costs relate to ER Global (CEO) - \$90,000, Marketworks (Company Secretary) \$27,000, C McLean (Geological consulting) \$43,446 and Genco Professional Services (CFO) \$45,151.

### b) Related party balances

	<b>February 29, 2020</b>	May 31, 2019
	\$	\$
ER Global – Eric Roth - Chief Executive Officer (includes fees, expense reimbursement & unsecured loan)	256,288	92,648
Genco Professional Services Sharon Cooper – Chief Financial Officer (includes expense reimbursement and fees)	66,253	21,120
Scott Heffernan	26,603	26,603
Mary Little	36,667	16,627
Glen Parsons (includes expense reimbursement)	30,971	26,603
John Wenger	26,603	26,603
Charles Russell	27,083	27,083
Cameron McLean (includes expense reimbursement)	68,939	3,901
Marketworks Inc Kathryn Witter -Corporate Secretary	9,450	3,177

The Company took out short term loans with SSL totalling \$315,000 during the period ending February 29, 2020. Refer to *Liquidity and Capital Resources* section for further details.

### c) Compensation of key management personnel

The remuneration for the services of key management personnel during the period was as follows:

		<b>Nine months ended February 29, 2020</b>	Six months ended November 30, 2018
		\$	\$
Salary/Exploration/Consulting	(i)	255,116	233,175
Share based payments		27,390	215,541

Key management personnel were not paid post-employment benefits, termination or other long-term benefits during the nine months ended February 29, 2020 and February 28, 2019.

## FINANCIAL RISK MANAGEMENT

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

### a) Currency Risk

The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures which are predominantly denominated in US dollars and Argentine pesos. The Company is also exposed to the impact of currency fluctuations on its monetary assets and liabilities.

The Company is exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

<b>February 29, 2020</b>	Cash	Receivables	Accounts payable, accrued liabilities & other liabilities
	\$	\$	\$
US dollars	-	-	96,667
Australian dollars	-	-	246,487
Argentinean peso	117,984	2,170	66,253

<b>May 31, 2019</b>	Cash	Receivables	Accounts payable, accrued liabilities & other liabilities
	\$	\$	\$
US dollars	19,805	-	99,491
Australian dollars	-	-	21,120
Argentinean peso	45,098	-	142,641

At February 29, 2020 with other variables unchanged, a +/-10% change in exchange rates would decrease/increase pre-tax loss by \$28,895. (2019: \$50,187).

### b) Interest rate and credit risk

At February 29, 2020, the Company has a positive cash balance. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at February 29, 2020 and February 28, 2019, the Company did not hold any short-term investments or cash equivalents.

Receivables consist of goods and services tax due from the government of Canada. Management believes that the credit risk concentration with respect to receivables is limited.

During the nine months ending February 29, 2020, the Company took out an interest-bearing short-term loan with SSL. Refer to *Liquidity and Capital Resources* section for further details.

### c) Liquidity risk

As at February 29, 2020, the Company had cash of \$130,008 (May 31, 2019 - \$73,773) to settle current liabilities of \$1,951,901 (May 31, 2019 - \$1,246,606). Included in current liabilities is a balance of \$548,857 owing to related parties and a balance of \$539,064 for the current portion of the contractual obligation payable to SSL.

In order to meet its current working capital requirements and ongoing general and administrative costs the Company will seek additional equity funding or secure alternative financing options. The Company cannot

guarantee it will be successful in raising additional funding or securing financing options. Refer to the *Financial Position* section for further details.

In the nine months ending February 29, 2020, the Company entered into a loan agreement with SSL for \$200,000 and \$115,000 and unsecured loans with two directors totalling \$69,221. Refer to *Liquidity and Capital Resources* section for further details.

d) **Commodity Price risk**

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

## **CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and short-term investments.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments selected with regards to the expected timing of expenditures from continuing operations.

The Company will require additional financing in order to fund working capital requirements and conduct additional acquisitions, exploration and evaluation of mineral properties.

## **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

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

The most significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, the valuation of share-based payments, the valuation of other income on deferred premiums, the valuation of the contractual obligation payable, the valuation of amounts receivable from governments and the valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the Interim Financial Statements are as follows:

(i) *Economic recoverability and probability of future benefits of exploration and evaluation costs.*

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

(ii) *Valuation of share-based payments*

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

(iii) *Income taxes*

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

(iv) *Non-cash transactions*

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

(v) *Functional currency*

The Company has evaluated the economic environment its entities operate in and determined that the functional currency of its Argentinean subsidiaries is the Argentinean peso and that the functional currency of its other entities is the Canadian dollar.

(vi) *Contractual obligation payable*

The Company has assessed the contractual obligation payable for the acquisition of the Argentinean subsidiaries as being more likely than not to not continue past 5 years. Refer to Note 7 of the Financial Statements for further details of the assumptions and inputs used.

(vii) *Hyperinflation reporting*

The application of IAS 29 during the period has required the Company to use judgment in the assessment and classification of items as monetary and non-monetary, and the selection and application of the inflation index used to calculate the net monetary impact in the period with regard to its Argentinean subsidiaries.

## ACCOUNTING STANDARDS

### Principles of Consolidation

The Company's interim financial statements have been prepared in accordance with IFRS and include the accounts of the Company and its 100% controlled entities as follows:

Entity	Country of incorporation	Functional Currency
Minera Mariana Argentina SA	Argentina	Argentinean Peso
Sierra Blanca SA	Argentina	Argentinean Peso
NDR Guernsey Limited	Guernsey	Canadian dollar
NDR Holdings Limited	Guernsey	Canadian dollar
New Dimension Guernsey Limited	Guernsey	Canadian dollar
Mariana International Limited	Guernsey	Canadian dollar
Dimension Resources (USA) Inc.	U.S.A.	Canadian dollar

The Company's interim financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

### APPROVAL

The Board of Directors of NDR has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

### ADDITIONAL INFORMATION

Additional information relating to NDR is on SEDAR at [www.sedar.com](http://www.sedar.com).

### FORWARD LOOKING INFORMATION

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

These forward-looking statements include, among others, statements with respect to the Company's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding the Company's ability to raise sufficient capital, future operations, future exploration and development activities or other development plans contain forward-looking statements.

All forward-looking statements and information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors

could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

These factors include, but are not limited to, COVID 19 pandemic, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies, including the Argentinean peso, relative to the US dollar, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks, and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on our behalf, except as required by law.