MASON GRAPHITE INC.

Interim management's discussion and analysis – Quarterly highlights
For the three and nine-month periods ended March 31st, 2019 and 2018

The following interim management's discussion and analysis – semester highlights ("MD&A") relates to the condensed interim unaudited financial statements of Mason Graphite Inc. ("we", "our", "us", "Mason Graphite", ''Mason'', "LLG" or the "Company") for the three and nine-month periods ended March 31st, 2019 and 2018 ("Financial statements"). This MD&A reports on our activities through May 27th, 2019 unless otherwise indicated. The Company's unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements, including the comparative figures.

Qualified persons consent

Jean L'Heureux, Eng., M. Eng., Executive Vice President, Process Development for Mason Graphite, and a Qualified Person, as defined by NI 43-101, for Mason Graphite was responsible for verifying the scientific and technical data herein and has read and approved this MD&A.

All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. Additional information, including our press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under our profile at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to targeted milestones to achieve development of the Lac Guéret Project, successfully obtaining project financing, the future financial or operating performance of the Company and its projects, the future price of and supply and demand for graphite, the estimation of mineral reserves and resources, the realization of mineral reserves and resources estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new and existing deposits, costs and timing of future exploration, requirements for additional capital, management's belief that the Company will have sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months, government regulation of mining operations, environmental risks, reclamation expenses, the success of mining operations, permitting, economic return estimates and potential upside. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Even with the completion of the Preliminary Economic Assessment and a positive feasibility study, there are no assurances that the Lac Guéret Project will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to achieve the milestones or complete development; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative graphite sources or substitutions; actual graphite recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future cost of capital to the Company; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities, as well as those factors discussed in the section entitled "*Risk and uncertainties*". Such forward-looking statements are also based on a number of material factors and assumptions, including: the availability of financing at rates and on terms and conditions otherwise acceptable to the Company; future graphite prices; permitting and development consistent with the Company's expectations; foreign exchange rates; prices and availability of equipment;

that contracted parties provide goods and/or services on the agreed timeframes; that the current tax credit receivable from the Quebec government is collected in a timely manner; that on-going contractual negotiations will be successful and progress and/or be completed in a timely manner; and that no unusual geological or technical problems occur. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

The Mineral Reserves and the "In-Pit" Mineral Resources are included in the total Measured and Indicated Mineral Resources of 65.5 Mt grading 17.2% Cg (19.0 Mt of Measured Resources grading 17.9% Cg and 46.5 Mt of Indicated Resources grading 16.9% Cg) that were reported in the Company's press release dated December 5th, 2018. The Mineral Reserves are the basis of the 25-year Mine Life of the Feasibility Study published on September 25th, 2015 (amended on February 29th, 2016 and updated on December 12th, 2018) and are not included in the "In-Pit" Measured and Indicated Mineral Resources of 58.0 Mt grading 16.3% Cg (which have an equivalent drilling definition). The reference point for the Mineral Reserves estimate is the mill feed. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability and were not included in the mine life or the economics of the Feasibility Study. Environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues may materially affect the estimate of Mineral Resources. In addition, there can be no assurance that Mineral Resources in a lower category may be converted to a higher category, or that Mineral Resources may be converted to Mineral Reserves.

1. DESCRIPTION OF BUSINESS AND OVERVIEW

The Company is engaged in the development of its 100% owned Lac Guéret graphite property located in Québec, Canada. Substantially all of the Company's efforts are devoted to financing and developing this property. The Company has a National Instrument 43-101 compliant technical report for its mineral reserve and resource estimate and for a feasibility study on the Lac Guéret property. As at June 30th, 2017, management determined that the technical feasibility and commercial viability of the Lac Gueret Project had been established and accordingly, the development phase for the Lac Gueret Project has commenced.

A) LAC GUÉRET PROJECT

Mason Graphite has a 100% interest in the Lac Guéret graphite property located in the Côte-Nord region in northeastern Québec.

B) ENGINEERING, PROCUREMENT, CONSTRUCTION MANAGEMENT AND MINE AND PROCESS PLANT CONSTRUCTION

Mason Graphite has decided to utilize the "Owner's Built" construction model after thorough review of all options available. Following receipt of the Decree (608-2018) from the Québec government (the "Decree"), pursuant to which the Project is authorized, and following advancements made toward detailed engineering and procurement, Mason Graphite has focused on building its construction team.

Mason Graphite executives' greater than 60 years of aggregate graphite experience, combined with the newly acquired construction team, have positioned the Company to maintain control and ownership of the Project within the Company and best represent the identity of Mason Graphite since inception.

Engineering and Construction:

Montreal, QC based BBA Inc., as lead engineering firm, complemented by Soutex Inc. of Québec, QC (Process Engineering), Groupe TDA Construction Inc. of Baie-Comeau, QC (Forest Road and Mining Camp Engineering) and WSP of Quebec, QC (mine engineering) have mostly completed the engineering related to the following disciplines: mining, concentration process, civil works, concrete, structure and mechanical. Engineering for the following disciplines is also being advanced: piping, electrical and instrumentation / automation.

On December 12th, 2018, Mason Graphite issued a press release reporting that it had completed and filed the technical report entitled "NI 43-101 Technical Report: Feasibility Study Update of the Lac Guéret Graphite Project, Québec, Canada", which was prepared under the supervision of Jean L'Heureux, Eng., M. Eng., Executive Vice President, Process Development.

Wood clearing at the Lac Guéret Mine Site was completed in mid-December 2018.

The six grinding Mills, which are major equipment at the Process Plant, were delivered in Baie-Comeau in February 2019. The two Press Filters have also been delivered in Baie-Comeau.

The engineering of the disciplines associated with buildings and infrastructures has reached 98% for the civil engineering, 74% for concrete, 65% for structures and 100% for the architecture. The engineering associated with the process, namely mechanical and piping, is advanced to 79%. Finally, engineering for electrical has reached 64% while automation is completed at 49%, the latter discipline being dependent on the other disciplines to move forward.

Also, in April 2019, Mason Graphite did the acquisition of the land in Baie-Comeau, which makes Mason Graphite a corporate citizen of Baie-Comeau.

C) COATED SPHERICAL NATURAL GRAPHITE WORK

The work related to the coated spherical natural graphite grades ("CSNG") development, which covers the purification, the micronization, the classification, the spheronization and the coating processes, has been completed, with success, this fall. The end results are CSNG grades that fully meet the performance required by Li-ion battery makers. CSNG grades were developed for, and specifically meet, the requirements for batteries aimed at electric vehicles; grades were also developed for other applications such as power tools and cellular phones.

The CSNG grades were developed using Mason Graphite's own fine natural graphite concentrate (< 106 µm, produced through pilot production of the Lac Guéret ore) as feed material and meet the following industry's requirements:

- Tap density higher than 1 g/cm3;
- Purity above 99.95% carbon;
- Reversible capacity of 355 to 360 mAh/g (milliamperes-hour per gram, for which the theorical maximum capacity is 372);
- Adequate particle size distribution (10 to 30 µm);
- Appropriate form factor (shape, size and volume of the particles); and
- Specific surface area less than 3 m2/g.

Microphotographs of Mason Graphite's CSNG grades can be seen at:
http://www.masongraphite.com/projects/photo-gallery/default.aspx

(Expressed in Canadian dollars)

Pilot plant, scaling and process reproducibility

The Company commissioned its brand-new pilot plant for micronisation, spheronisation and classification. This pilot plant, located in the Quebec City region, will be used to produce spherical graphite samples in large quantities for potential customers with whom the Company is in discussions. This plant will significantly reduce sample delivery times and tailor product specifications to users highly diverse specifications. In addition, new batches of coated spherical graphite, meeting the very stringent requirements of Li-ion batteries for electric vehicles, have recently been produced. These new results demonstrate once again the efficiency and reproducibility of purification, micronisation, spheronisation, classification and coating processes developed to treat the Lac Guéret graphite.

Mason Graphite has started a technical and economic study on the future 2nd transformation plant. This study, which will be spread over several months, aims to industrialize processes, maximize the reuse or reagents and define effluent treatment needs.

Since the beginning of the evaluation, the Company incurred the following expenditures:

	Value-added graphite products		
	Expenditures	**Government assistance**	**Net**
For the year ended June 30th, 2015	229,246	41,000	188,246
For the year ended June 30th, 2016	30,552	9,000	21,552
For the year ended June 30th, 2017	1,107,683	290,936	816,747
For the year ended June 30th, 2018	1,068,132	334,366	733,766
For the nine-month period ended March 31st, 2019	1,137,778	164,586	973,192
	3,573,391	**839,888**	**2,733,503**

D) FIRST NATION RELATIONS

On June 16th, 2017, the Company and the Innu Council of Pessamit signed the Mushalakan Agreement, an Impact Benefit Agreement ("IBA") resulting from the 2014 Cooperation Agreement between the parties.

The Mushalakan Agreement, negotiated directly between the Pessamit Council and the executives of Mason Graphite, reflects the willingness of the Parties to work closely together to ensure that the Lac Guéret graphite mining Project is a success and benefits the Pessamit Community and the population of Manicouagan.

Under the Mushalakan Agreement, both parties commit to develop a specific training and employment strategy for the Pessamiuilnut. This strategy will be developed in such a way as to ensure employment opportunities at all levels for the Pessamiuilnut and to encourage their retention and advancement within the Project. In addition to the strategy, this agreement will allow the Innus of Pessamit to participate in the Project concretely, through contracting opportunities and will ensure fair and equitable financial and socio-economic benefits. The latter will promote and protect the rights, the way of life and the culture of the Pessamiuilnut in addition to supporting the economic development of present and future generations.

(Expressed in Canadian dollars)

2. RESULTS OF OPERATIONS

Note: In the condensed interim financial statement for the three and nine-month periods ended March 31st, 2019 and 2018 (note 9), the Company has recorded quarterly adjustments for the three-month period ended September 30th, 2017, December 31st, 2017 and March 31st, 2018.

Comparison of the three-month period ended March 31st, 2019 with the three-month period ended March 31st, 2018

The Company's profit totaled $2,059,581 for the three-month period ended March 31st, 2019. This compares with a profit of $2,160,318 for the three-month period ended March 31st, 2018 for a variance of $100,737. You will find the following significant variations:

	Three-month period ended March 31, 2019 $	Three-month period ended March 31, 2018 $	Variance $	
Share-based compensation	37,989	192,565	(154,576)	During the current period, no option has been granted.
Value-added graphite products study	433,541	292,909	140,632	As expected, the Company incurred more expenses for value-added graphite products during this quarter.
Research and development expenses	1,088	368,344	(367,256)	As planned, the Company incurred less expenses on the tailings' valorization project.
Finance costs net	(76,965)	(2,783,417)	2 706 452	Explained by the embedded derivative components of the Debentures due to valuation assumptions change (stock price of LLG went from $0,55 to $0.42 during the current quarter while during the 2018 quarter, LLG went from $2.45 to $1.89). During this current quarter, the Company recorded a gain of $76,965 on embedded derivative while during the 2018 quarter it was a gain of $2,783,417.
Gain on dilution	(3,620,000)	(1,265,000)	(2,355,000)	On January 11th, 2019, NanoXplore completed a brokered private placement financing of 16,144,800 common shares at a price of $1.30 per share for gross proceeds of $20,988,240. As a result of this transaction and exercise of warrants and options, the Company's participation in NanoXplore varied to 22% to 19%.
Other expenses and revenues	1,164,766	1,034,281	130,485	The variation in other income and expenses items is not significant.
Total	**(2,059,581)**	**(2,160,318)**	**100,737**	

(Expressed in Canadian dollars)

Comparison of the nine-month period ended March 31st, 2019 with the nine-month period ended March 31st, 2018

The Company's profit totaled $2,750,274 for the nine-month period ended Marsh 31st, 2019. This compares with a loss of $1,056,308 for the nine-month period ended March 31st, 2018 for a variance of $3,806,582. You will find the following significant variations:

	Nine-month period ended March 2019 $	**Nine-month period ended March 2018 $**	**Variance $**	
Share-based compensation	97,912	643,122	(545,210)	During the current period, no option has been granted.
Value-added graphite products study	1,137,778	804,878	332,900	As expected, the Company incurred more expenses for value-added graphite products for the nine-month period ending March 2019.
Natural graphite production for customers and tests	175,411	448,169	(272,758)	As expected, the Company incurred less expenses for the natural graphite production for the nine-month period ending March 2019
Research and development expenses	329,426	128,404	201,022	As planned, the Company incurred more expenses on the tailings' valorization project for the nine-month period ending March 2019. .
Net loss (net gain) on financial assets	834,000	(1,263,000)	2,097,000	Loss on the value of NanoXplore warrants held by the Company, primarily due to the decline in the stock price between June 30th, 2018 and March 31st, 2019 ($1.90 to $1.26), to compare at the same period last year in 2018 ($0.45 to $1.81).
Finance costs net (net gain)	(2,384,688)	810,075	(3,194,763)	Explained by the embedded derivative components of the Debentures due to valuation assumptions change (stock price of LLG went from $1.35 to $0.42 during the current nine-month period while during the 2018 nine-month period, LLG went from $1.71 to $1.89). During this current nine-month period, the Company recorded a gain of $2,384,688 on embedded derivative while during the nine-month period ending March 2018, the Company recorded a loss of $810,075.

(Expressed in Canadian dollars)

	Nine-month period ended March 2019 $	Nine-month period ended March 2018 $	Variance $	
Gain on dilution of investment in associate	(5,330,0000)	(2,753,000)	(2,577,000)	During the current nine-month period, NanoXplore acquired Sigma Industries Inc. and partially paid for the acquisition by issuing shares. Also, as at January 11th, 2019, NanoXplore completed a brokered private placement financing of 16,144,800 common shares at a price of $1.30 per share for gross proceeds of $20,988,240. As a result of these transactions and exercise of warrants and options, the Company's participation in NanoXplore varied from 24% to 19%.
Other expenses and revenues	2,389,887	2,237,660	152,227	Slight increase of all other expenses.
Total	**(2,750,274)**	**1,056,308**	**(3,806,582)**	

3. SUMMARY OF QUARTERLY RESULTS

	Mar 31, 19	Dec 31, 18	Sept 30, 18	June 30, 18
	Q3	Q2	Q1	Q4
	(Note 1)		(Note 2)	(Note 3)
Loss (profit) for the period	($2 059 581)	$568 233	($1 258 926)	$59 245
Loss (profit) per share (basic and fully diluted)	($0,01)	$0,01	($0,01)	$0,00

	Mar 31, 18	Dec 31, 17	Sept 30, 17	June 30, 17
	Q3	Q2	Q1	Q4
	(note 4)	(note 5)	(Note 6)	(Note 7)
Loss for the period	($2 160 318)	$1 513 557	$1 703 069	$2 913 372
Loss per share (basic and fully diluted)	($0,01)	$0,01	$0,01	$0,03

Note 1: The unusual profit is mainly due to the gain on dilution of $3,620,000 in NanoXplore as a result of transactions on its share capital.

Note 2: The unusual profit is mainly due to the gain of $1,202,723 on the embedded derivative recorded during the quarter due to changes in the valuation assumptions (the share price decreased during the quarter) and a gain on dilution of $1,650,000 in NanoXplore Inc. as a result of transactions in its capital stock.

Note 3: The lower loss is mainly due to the gain of $2,469,170 on the embedded derivative recorded during the quarter due to changes in the valuation assumptions (the share price decreased significantly during the quarter) partially offset by high but anticipated expenditures for production of natural graphite for customers and testing ($1,136,058).

(Expressed in Canadian dollars)

Note 4: The unusual profit is mainly explained by the gain of $2,783,417 on the embedded derivative recorded during the quarter due to valuation assumptions update (stock price of LLG decreased significantly during the quarter) and a gain on dilution ($1,265,000) on the deemed disposal of the Company's interest in NanoXplore Inc. partially offset by a general increase in expenses.

Note 5: The higher loss is mainly explained by the loss of $1,527,519 on the embedded derivative recorded during the quarter due to valuation assumptions change (stock price of LLG increased significantly during the quarter) partially offset by a gain on financial assets of $987,000.

Note 6: The higher loss is mainly explained by the loss of $2,065,973 on the embedded derivative recorded during the quarter due to valuation assumptions change (stock price of LLG increased significantly during the quarter) and value-added graphite products work ($345,306), partially offset by a gain on dilution of an associate ($1,408,000).

Note 7: The higher loss is mainly explained by the loss of $1,346,240 on the embedded derivative recorded during the quarter due to valuation assumptions change (stock price of LLG increased significantly during the quarter), value-added graphite products work ($314,234) and the expenses to produce natural graphite to ship samples to future customers and internal testing ($237,028).

Each quarter has been prepared in accordance with IFRS as issued by the IASB. The Company has consistently applied the accounting policies used in the preparation of its interim IFRS financial statements. The Company's functional and presentation currency is the Canadian dollars.

4. CASH FLOW

	Nine-month periods ended March 31	
Sources and uses of cash	**2019**	**2018**
	$	**$**
Cash used in operating prior to changes in working capital	(2 886 896)	(2 417 611)
Changes in non-cash working capital	(679 296)	(253 137)
Cash used in operating activities	(3 566 192)	(2 670 748)
Cash provided by financing activities	106 600	43 666 300
Cash used in investing activities	(18 487 642)	(8 764 017)
Change in cash	**(21 947 234)**	**32 231 535**

Operating Activities

For the nine-month period ended March 31st, 2019, cash used in operating activities increased by $469,285 before changes in non-cash working capital compared to the corresponding period of last year (from $2,417,611 in 2018 to $2,886,896 in 2019). This increase is explained by a higher level of activities, more activities in the value-added graphite project.

For the nine-month period ended March 31st,2019 and 2018, non-cash working capital increased by $679,296 and by $253,137 respectively. This increase is mainly explained by a lower level of the account payables.

(Expressed in Canadian dollars)

Financing Activities

For the nine-month period ended March 31st, 2019, cash provided from financing activities was $106,600 compared to $43,666,300 for the corresponding period of last year. During the current period, 220,000 options have been exercised for an amount of $105,600 (average price of $0,48). For the same period last year, $45M were secured in January 2018.

Investing Activities

For the nine-month period ended March 31st, 2019, cash used in investing activities was $18,487,642 compared to $8,764,017 for the corresponding period of last year. During the current nine-month period, $18,487,642 were invested in the development of the Lac Guéret Project. During last year's corresponding period, $2,000,065 were invested in NanoXplore Inc. and $6,716,709 were invested in the development of the Lac Guéret Project.

5. FINANCIAL POSITION

	Mar. 31, 2019	June 30, 2018
	$	$
Cash (note 1)	18 525 985	40 473 219
Other current assets	541 342	1 238 220
Total current assets	**19 067 327**	**41 711 439**
Financial assets through profit or loss	637 000	1 471 000
Investment in associate (note 2)	8 195 735	3 994 235
Property, plant and equipment (note 3)	74 548 892	51 783 149
Total assets	**102 448 954**	**98 959 823**
Total liabilities	**12 718 693**	**12 433 522**
Equity	**89 730 261**	**86 526 301**

Note 1: The decrease is explained by a higher level of activity in the Lac Guéret Project and more activities in the value-added graphite project.

Note 2: The increase in the investment in associate is explained by many gains on dilution as NanoXplore recorded many transactions on its share capital.

Note 3: The increase is explained by the expenses incurred in the Lac Guéret Project.

6. LIQUIDITY AND CAPITAL RESOURCES

The Lac Guéret property is in the development stage since June 30th, 2017 and as result, the Company has no current source of operating revenue and is dependent on external financing to fund its continued development program. The Company's principal sources of funding have been the issuance of equity securities for cash, debt, funds from the government of Quebec with respect to tax credits related to resource and mining tax credits based on eligible exploration expenditures and funds obtained from warrants and options exercised.

As at March 31st, 2019, the Company had a working capital of $8,857,634, had an accumulated deficit of $29,108,626 and incurred a profit of $2,750,274 for the nine-month period then ended. Working capital included cash of $18,525,985.

As at March 31st, 2019, Management believes that the Company has sufficient funds to meets its obligations, operating expenses and some development expenditures for the ensuing twelve months as they fall due. The Company's ability to continue its development activities, the engineering, the procurement and the construction of the Lac Guéret Project is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways including, but not limited to, a combination of strategic partnerships, joint venture arrangements, project debt finance, royalty financing and other capital market alternatives. Management actually pursues such additional financial sources. The Company has appointed National Bank Financial Inc. ("NBF") as its financial advisor to act as exclusive financial advisor in the Company's capital raising efforts. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

For a detailed description of the financial instruments and risk management associated with the Company and its activities, please refer to the Note 17 *"Financial Instruments and Risk Management"* in the audited financial statements for the years ended June 30th, 2018 and 2017 and Note 8 of the Financial statements. The Company is not aware of any significant change to financial instruments and risk management presented on those dates.

8. OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company did not have any off-balance sheet arrangement.

9. PROPOSED TRANSACTIONS

There is no proposed transaction of a material nature being considered by the Company.

10. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

For a detailed description of the critical accounting judgments and estimates associated with the Company and its activities, please refer to the Note 3 *"Critical accounting judgments and estimates"* in the audited financial statements for the years ended June 30th, 2018 and 2017. The Company was not required to make significant judgments, estimates and assumptions in areas other than those mentioned in the audited financial statements for the years ended June 30th, 2018 and 2017.

11. NEW SIGNIFICANT ACCOUNTING POLICIES

A new significant accounting policy has been adopted during this quarter: Financial Instruments. Please see Note 2 in Financial Statements.

For a detailed description of the significant accounting policies, please refer to the Note 2 *"Summary of significant accounting policies"* in the audited financial statements for the years ended June 30th, 2018 and 2017.

12. OUTSTANDING SHARE DATA

As at May 27, 2019, the Company has:

a) 136,227,585 common shares issued and outstanding;

b) 7,253,333 options outstanding with expiry dates ranging between May 27, 2019 and April 4th, 2023 with exercise prices from $0.38 to $2.54 (weighted average price: $0.92). If all the options were exercised, 7,253,333 shares would be issued for proceeds of $6,673,066;

d) $3,950,000 of convertible debentures which are convertible into common shares at a conversion price of $0.845 maturing June 11th, 2019. If the convertible debentures were converted, 4,674,556 common shares would be issued.

13. RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration, evaluation, development and operation of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

For a detailed description of the risk factors associated with the Company and its activities, please refer to the "Risks and Uncertainties" in the MD&A for the years ended June 30th, 2018 and 2017. The Company is not aware of significant adverse change to the risk and uncertainties presented by that date.

14. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A, including the Financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that the design and implementation of such processes by those responsible for a venture issuer are subject to cost limitations.

DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

15. APPROVAL

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Audit Committee meets quarterly with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders. The Board of Directors has approved the unaudited condensed interim financial statements for the nine-month periods ended March 31st, 2019 and 2018 and the disclosure contained in this MD&A.