

## **Minnova Corp.**

**365 Bay Street, Suite 400, Toronto, Ontario, CANADA, M5H 2V1**

**Telephone: (647) 985-2785 Fax: (416) 361-2519**

## **Management Discussion and Analysis for the Three Months ended June 30, 2018**

This Management Discussion and Analysis (“MD&A”) of the financial condition and results of the operations of Minnova Corp. (“Minnova” or the “Company”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three months ended June 30, 2018. This discussion should be read in conjunction with the audited financial statements of the Company for the years ended March 31, 2018 and March 31, 2017, together with the notes thereto, and the unaudited condensed interim financial statements of the Company for the three months June 30, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS.

As a result of ongoing review and possible amendments by interpretive guidance from IASB and IFRIC, IFRS in effect at March 31, 2019, may differ from IFRS and interpretation statements applied in preparing the audited annual financial statements for the year ended March 31, 2018, and the unaudited condensed interim financial statements for the three months ended June 30, 2018.

In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period presented are not necessarily indicative of the results that may be expected for any future periods. Information contained herein is presented as at June 30, 2018, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Minnova’s common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Minnova’s website at [www.minnovacorp.ca](http://www.minnovacorp.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Financial and Operating Highlights for the Three Months ended June 30, 2018**

### **Financial Situation**

- As of June 30, 2018, the Company had a cash position of \$50,841, current liabilities of \$2,306,987, and a net loss of \$190,888 for the three months ended June 30, 2018. Exploration expenditures during the three month period totaled \$79,645.
- Investor interest in the junior gold sector continued to improve during the quarter on the back of a sustained improvement in gold price and positive gold price outlook.
- Management and the Board of Directors have maintained our cautious and prudent stance on reduced overhead and G&A expenses while pursuing funding in support of re-starting the PL Mine under our existing Environment Act License 1207E as an underground mine.

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### **Corporate Developments**

- During the quarter ended June 30, 2018 the Company continued to work toward re-starting the PL Gold Mine with ongoing project financing discussions and low budget technical programs including;
  - Relogging of historic drill core
  - Re-sampling of drill core and detailed statistical analysis of the assay dataset to better understand the distribution of high-grade vs. low grade gold domains and develop a program to re-assay samples using a metallic screen method. This analytical method is used test the distribution of coarse vs. fine gold and utilises a larger volume.
- Property evaluations with a view to adding to our existing property portfolio.

### **PL Gold Mine**

- Management and the board of directors remain firmly committed to the future development of the Maverick Gold Project. Efforts to advance the project and attract adequate funding have been intensive and wide spread. Following the release of the Updated PEA we continue to review all available project/technical data to identify areas of further capital and operating costs savings as we advance towards the re-start of the mine and our planned Feasibility Study.
- In addition to ongoing planning aimed at further de-risking the project we are also eager to expand the current gold resource at the project through;
  - New discoveries - testing high priority, shallow drill targets located on strike from existing PL and Nokomis Gold Deposit's that exhibit similar geological and geophysical signatures.
  - Resource expansion - both the PL and Nokomis Gold Deposits remain open down dip.
- Based on the new mineral reserve estimate the Company completed a Feasibility Study ("2017 FS") on the re-start of the PL Gold Mine initially as an underground mine. The 2017 FS was based on only the mineral reserve estimate and supersedes the July 9, 2014 - Updated Preliminary Economic Assessment ("Updated PEA") for a proposed open pit and underground mining and milling operation at the PL mine which considered mineral resources from the PL Gold Deposit and the satellite Nokomis Gold Deposit.
- The 2017 FS considers an initial underground mine plan and on-site processing to be followed by small scale open pit mine development to maximize extraction and enhance the economics of the project.
  - 590 tpd from underground at an average diluted grade of 7.00 g/t
  - 190 tpd from open pits at an average diluted grade of 4.35 g/t
- We are committed to minimizing the long term environmental impact of the project. As such we have factored in underground paste backfill tailing storage to reduce tailings deposition into the past used and permitted Ragged Lake Tailings Management Facility (Ragged TMF).
- The proposed re-start of the PL Gold Mine as an underground operation at a through-put rate of not more than 600tpd falls within our existing Environment Act License 1207E requirements. The future development of open pits is subject to amending the Environment Act License 1207E to include open pit mining methods.
- Highlights from the 2017 FS, which uses a long term gold price of US\$1,250 per ounce gold and USD:CAD exchange rate of \$1.30, include:
  - Pre-tax Net Present Value ("NPV") at a 5% discount rate of \$55.9 million and an Internal Rate of Return ("IRR") of 65%;
  - After-tax NPV at a 5% discount rate of \$36.7 million and IRR of 53%;

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- Proven & Probable Mineral Reserves of 259,000 ounces of gold (1.27 million tonnes at 6.34 g/t Au), a subset of the Measured and Indicated Resources of 282,500 ounces of gold (1.48 million tonnes at 5.93 g/t Au). The 2017 FS excludes Inferred Resources of 301,700 ounces of gold (1.84 million tonnes at 5.08 g/t Au)
- After-tax payback of 1.5 years after plant start-up;
- Minimum 5 year mine life, mining and processing 1.27 million tonnes, averaging 6.34 grams per tonne ("g/t") gold, and producing 332,463 ounces of gold;
- During the summer field season of 2017, the Company sought out and received its water license for industrial purposes.
- In 2014 the company received clarification and confirmation from the Canadian Environmental Assessment Agency ("CEAA") that the PL Gold Project does not require an environmental assessment as a new mine and reconfirmed that Environment Act License 1207E is in full force and effect.
- In 2014 Environment Canada ("EC") confirmed that in order to deposit tailings into the past used and licensed Ragged TMF it will require a listing on Schedule 2 of the Metal Mining Effluent Regulations (MMER)". To achieve a Schedule 2 listing, the Company will be required to submit an Assessment of Alternatives report to determine if the Ragged TMF is in fact the best option for deposition of new tailings. The assessment will consider all possible alternatives for safe, long term tailings storage from environmental, socio-economic and technical perspectives.

### Other Permits and Licenses currently in place include:

| Permit/License                                  | Permit/License  | Expiry Date      |
|---|-----------------|------------------|
| Environment Act License – Permit to Mine        | 1207E           | N/A              |
| MINING LEASE                                    | 065             | 1 April 2034     |
| License to Use Water for Industrial Purposes    | 2017-116        | 5 September 2027 |
| Crown Land Permit – Access Road Right of Way    | GP0002799       | 31 December 2018 |
| Crown Land Permit – Water Pipeline Right of Way | GP0003758       | 31 December 2018 |
| Crown Land Permit – Access Road Right of Way    | GP0004038       | 31 December 2018 |
| Crown Land Permit – Mine Tailings Containment   | GP0004134       | 31 December 2018 |
| Casual Quarry Permit                            | CP-2017-1011762 | 31 December 2018 |

## Special Note Regarding Forward-Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are

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deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this management discussion and analysis are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

## **Overview and Strategic Activities**

Minnova Corp. is a publicly traded company currently focused on the near-term re-start of gold production at its 100% owned PL Mine and acquisition of other advanced, development stage - low capex near term cash flow projects. The Company was incorporated on July 19, 1994 pursuant to the laws of the Companies Act of Barbados. Since the Company's management and the principal office of the Company are located in Toronto, Ontario, a continuance (the "Continuance") of the Company from the laws of Barbados to the laws of the Province of Ontario was filed on April 21, 2010. As a result of the Continuance, the corporate legislation that governs the Company ceased to be the Barbados Act and the Company is now governed by the Business Corporations Act (Ontario). The registered office of the Company is located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1. On June 26, 2014, the Company changed its name to "Minnova Corp." and commenced trading on the Toronto Stock Exchange (Tier 2 mining issuer) at the opening on June 27, 2014 under the new symbol "MCI".

The Company completed and announced positive results for a Feasibility Study on November 1, 2017. The study confirmed management's view that re-starting the PL Mine is an attractive gold development opportunity with an after-tax NPV 5% of \$36.7 million and after-tax IRR of 55% (at a long-term gold price of US\$1,250 per ounce). The Company plans to continue to advance the PL Mine towards production through ongoing technical programs to further de-risk and enhance already attractive project economics. The PL Mine has significant existing infrastructure that contributes to low initial capital, short time to production and quick payback. Infrastructure includes a 1,000 tpd flotation mill, a developed underground ramp to approximately 130 metres depth. The property is fully road accessible, has access to low cost electricity and is close to existing regional mining support infrastructure.

The Company has created a new Manitoba subsidiary called Minnova Renewable Energy. We believe there is room for alternative energy, as part of our overall energy demand requirements at the PL Gold Mine. The re-start of the PL Gold Mine represents a unique opportunity for sustainable job creation beyond planned mining operations and gold production.

Minnova Renewable Energy will review all available proven green energy technologies and if warranted incorporate them into the PL Mine re-start plan. Sustainable energy technologies to be reviewed include:

- (1) biomass power generation
  - (a) including log-yard and logging operation to harvest local fire-kill wood for fuel for the biomass system
  - (b) including utilizing waste heat generation for ancillary greenhouse operation to grow food for the mine camp
- (2) lake-based geothermal mining camp heating and cooling system

Studies will seek to combine existing mine site and other regional infrastructure, including: power transmission lines, all weather roads, underutilized railway infrastructure and significant harvestable resources. During the period ended June 30, 2018 we made presentations to local community leaders, regulatory agencies and first nations highlighting the opportunity to create sustainable northern jobs in addition to the 110 – 120 full time

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jobs that would be created from re-start of mining operations at the PL Gold Mine.

The regional economy lacks industry and sustainable employment opportunities Minnova hopes to promote job creation by developing a biomass energy plant that utilizes the region's abundant harvestable resources under a sustainable forestry management plan.

## Mineral Properties

Minnova's exploration activities are at an early stage, and it has not yet been determined whether its properties contain an economic mineral reserve. Any activities of Minnova will constitute exploratory searches for minerals. See "Risks and Uncertainties" below.

### PL Gold Project (formerly called the Maverick Gold Project)

On October 8, 2010, Minnova completed the acquisition of the past-producing Puffy Gold Mine ("PL Mine" or PL Property") and interests in the adjacent Nokomis Property ("Nokomis Property") from Pioneer Metals ULC ("Pioneer"). The purchased properties and other adjacent staked properties have been renamed the PL Gold Project ("PLP") and are all located 50 km northeast of the town of Flin Flon, Manitoba. Pioneer is a wholly-owned subsidiary of Barrick Gold Corporation ("Barrick"). Past gold production on the MGP amounted to over 28,000 ounces in 1988 and 1989. Under the agreement, Minnova acquired 100% of Pioneer's interest in the PL mine subject to a 3% Net Smelter Royalty ("NSR") that reduces to 2.5% and 2% if gold is below US\$1,000/oz. and US\$750/oz., respectively. The agreement also provided for the acquisition of Pioneer's 54% interest in the adjacent Nokomis Property. In consideration of the acquisitions, Minnova:

- made total payments of \$2.5 million; and
- issued stock to Pioneer valued at \$1.0 million.

On November 22, 2011, the Company completed the acquisition the remaining 46% minority interest in the Nokomis Property from Claude Resources Inc. ("Claude"). The property is located less than 8 kilometres northeast of the existing mine and mill infrastructure on the PLP.

### PL Gold Mine

The PL Mine features a 1,000 tonne-per-day mill and concentrator in excellent condition, underground development by ramp to a depth of approximately 130 meters, and significant infrastructure related to the past-producing mine. In November 2017, Minnova reported an updated NI 43-101 compliant resource estimate for the former producing PL Gold Deposit.

Drilling to the mid-2017, has resulted in a Measured & Indicated Resource totaling 282,500 ounces gold and a total Inferred Resource of 301,700 ounces gold. The resource was been estimated by CSA Global Pty Ltd. using the results from 327 historical drill holes by previous operators and 158 holes drilled by Minnova since December 2010.

### PL Gold Deposit, Mineral Resource Estimate November 2017

| Category   | Au Cut-off<br>(g/t) | Tonnes<br>(Kt) | Au Grade<br>(g/t) | Contained<br>Au oz |
|------------|---------------------|----------------|-------------------|--------------------|
| Measured   | 2.5                 | 425            | 7.53              | 102,900            |
| Indicated  | 2.5                 | 1,056          | 5.29              | 179,600            |
| <b>M+I</b> | <b>2.5</b>          | <b>1,481</b>   | <b>5.93</b>       | <b>282,500</b>     |
| Inferred   | 2.5                 | 1,846          | 5.08              | 301,700            |

Notes PL and Nokomis Deposits:

1. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these

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*Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.*

2. *The PL and Nokomis NI 43-101 mineral resource estimate were prepared by Leon McGarry, B.Sc., P.Geo., of CSA Global Pty Ltd..*
3. *The NI 43-101 compliant mineral resources in this disclosure were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.*
4. *The volume of the historical mined areas was depleted from the resource estimate.*
5. *Grade capping values range from 30 to 45 g/t Au and affected 16 samples.*
6. *Bulk densities of 2.81 t/m<sup>3</sup> were used for tonnage calculations.*
7. *A gold price of US\$1,250/oz and an exchange rate of US\$0.80=US\$1.00 was utilized in the Au cut-off grade calculations of 2.5 g/t underground. Operating costs of C\$125/t. Process recovery used was 95%.*
8. *Tonnes and ounces have been rounded to reflect the relative accuracy of the mineral resource estimate; therefore numbers may not total correctly.*
9. *Mineral Resource tonnes quoted are not diluted.*
10. *Mineral resources are not mineral reserves and by definition do not demonstrate economic viability. This mineral resource estimate includes inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated resource categories through further drilling, or into mineral reserves, once economic considerations are applied.*
11. *1 troy ounce equals 31.10348 grams.*

The updated mineral resource estimate is the basis of an inaugural Mineral Reserve estimate completed by A-Z Mining Professionals Ltd. All Mineral Reserves are Proven and Probable Mineral Reserves. Both the Mineral Resource and Mineral Reserve estimates take into consideration on-site operating costs (e.g. mining, processing, site services, general and administration, royalties), metallurgical recoveries, and selling costs. In addition, the reserves incorporate allowances for mining recovery and dilution, and overall economic viability.

| Category                         | Diluted Tonnes (Kt) | Au Grade (g/t) | Contained Au (Koz) |
|----------------------------------|---------------------|----------------|--------------------|
| <b>Underground</b>               |                     |                |                    |
| Proven                           | 367                 | 7.77           | 92                 |
| Probable                         | 586                 | 6.51           | 123                |
| <b>Open Pits</b>                 |                     |                |                    |
| Proven                           | 87                  | 4.71           | 13                 |
| Probable                         | 226                 | 4.21           | 31                 |
| <b>Total Proven and Probable</b> | <b>1,266</b>        | <b>6.34</b>    | <b>259</b>         |

1. *Using a gold price of US\$1,250/oz and an exchange rate of US\$0.77 to CDN\$1.00.*
2. *A gold cut-off grade of 4.0 g/t for underground mining and 2.7 g/t for open pit mining.*
3. *Rounding as required by reporting guidelines may result in summation differences.*

New Mineral Reserve and Resource estimates were in support of the Feasibility Study which was completed by A-Z Mining Professionals Ltd and announced on November 1, 2017. The mine plan developed for the Feasibility Study considers the re-opening of the PL mine initially utilizing underground mining techniques as the environmental permits for this type of mining are already in effect and valid. The future development of open pits has been factored in and is subject to amending existing Environment Act License 1207E to include open pit mining methods. The mine plan incorporates only the mineral reserves from the PL Gold Deposit. It does not include any mineral resources from the satellite Nokomis deposit.

|                                    | July 2014 PEA | November 2017 FS |
|------------------------------------|---------------|------------------|
| Gold Price (US\$/oz)               | \$1,300       | <b>\$1,250</b>   |
| CAD:US\$ Exchange Rate             | 1.05          | <b>1.30</b>      |
| Pre-tax NPV <sub>5%</sub> (C\$M)   | \$97.70       | <b>\$46.82</b>   |
| Pre-tax IRR                        | 59%           | <b>65%</b>       |
| After-tax NPV <sub>5%</sub> (C\$M) | \$83.30       | <b>\$36.70</b>   |
| After-tax IRR                      | 55%           | <b>53%</b>       |
| After-tax payback (years)          | 1.5           | <b>1.5</b>       |

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|   |         |         |
|---|---------|---------|
| Payable Gold Production (ounces)            | 483,000 | 232,463 |
| Mine Life                                   | 11      | 5       |
| Underground Grade (g/t)                     | 7.26    | 7.00    |
| Underground Production ( million tonnes)    | 1.98    | 0.95    |
| Open Pit Grade (g/t)                        | 4.41    | 4.35    |
| Open Pit Production (million tonnes)        | 0.56    | 0.31    |
| Cash Operating Cost (US\$/oz)               | \$798   | \$715   |
| AISC (US\$/oz)                              | \$1,003 | \$942   |
| Pre-Production Capex (C\$M)                 | \$26.30 | \$35.35 |
| Sustaining Capital and Closure Costs (C\$M) | \$29.50 | \$54.16 |

### PL Property, Deferred Exploration Expenditures Summary

| Exploration Expenditures | Three Months<br>Ended<br>June 30, 2018<br>\$ | Year<br>Ended<br>March 31, 2018<br>\$ |
|--------------------------|--|---------------------------------------|
| Beginning balance        | 15,299,846                                   | 13,454,740                            |
| Geology                  | 257,303                                      | 1,934,961                             |
| Mining asset retirement  | (89,855)                                     | (89,855)                              |
| Exploration expenditures | 167,448                                      | 1,845,106                             |
| Total                    | 15,467,294                                   | 15,299,846                            |

The Company has provided a letter of credit in the amount of \$75,000 to the Government of Manitoba under the terms of the Closure plan on the PL property. The Company further provided all assets, goods and personal property involved in the operation of the PL property, as a security of up to \$5,000,000 for the performance of the Closure plan and the rehabilitation program.

The Company's provision for closure and reclamation costs are based on management's estimates of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred. The Company has estimated its total provision for closure and reclamation to be \$2,921,499 at June 30, 2018, based on a total future liability of approximately \$3,073,160, an inflation rate of 1.68% and a discount rate of 2.17%. Reclamation is expected to occur in approximately 10 years.

The following is an analysis of the asset retirement obligation:

|  | Three Months<br>Ended<br>June 30, 2018<br>\$ | Year<br>Ended<br>March 31, 2018<br>\$ |
|--|--|---------------------------------------|
| Beginning balance                        | 2,940,290                                    | 2,971,239                             |
| Effect of changes in discount rate       | (34,735)                                     | (89,855)                              |
| Accretion incurred in the current period | 15,980                                       | 58,870                                |

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|                            |           |           |
|----------------------------|-----------|-----------|
| Expenditure for the period | (18,755)  | (30,985)  |
|                            |           |           |
| Total                      | 2,921,499 | 2,940,254 |

### Nokomis Property

The October 2011 agreement with Pioneer provided for the acquisition of Pioneer's 54% joint venture interest in the Nokomis property. This property comprises approximately 2,200 hectares and is located north east of, and is contiguous with, the PL property.

On November 22, 2011, the Company completed the acquisition of the remaining 46% minority interest in the Nokomis property from Claude. Under the terms of acquisition, the Company issued to Claude, 3,428,572 common shares of the Company.

During the year ended March 31, 2014, the Company completed a surveyed the collars for drill holes that were drilled in fiscal 2012. The geology of the property was also reviewed and re-interpreted by examination and re-logging of previously drilled holes.

Drilling by the Company and previous operators supported an initial NI 43-101 resource estimate for the Nokomis Deposit that was published on April 17, 2014.

#### Nokomis Gold Deposit, Mineral Resource Estimate April 2014

|        | Category  | Au Cut-off<br>g/t | Tonnes  | Au<br>(g/t) | Contained Au<br>ounces |
|--------|-----------|-------------------|---------|-------------|------------------------|
| In-Pit | Indicated | 0.6               | 371,000 | 3.41        | 40,700                 |
|        | Inferred  | 0.6               | 247,000 | 2.41        | 19,100                 |

*See Resource Estimate Notes above.*

On July 9, 2014 the Company completed a positive Updated PEA for a proposed open pit and underground mining and milling operation at the PL mine incorporating mineral resources from the PL Gold Deposit and the satellite Nokomis Gold Deposit. A combined open pit and underground mine plan and on-site processing at a rate of up to 900 tpd were selected to improve the economics of the project. In that study the Nokomis Deposit is scheduled to come into production in year 3 of the mine life and contribute approximately 28,000 ounces of gold production until depletion in year 5. Minnova has not initiated the permitting process for the proposed Nokomis pit production but anticipates it can successfully permit the satellite deposit production as outlined in the Updated PEA.

#### Nokomis Property Deferred Exploration Expenditures Summary

| Exploration Expenditures | Three Months<br>Ended<br>June 30, 2018<br>\$ | Year<br>Ended<br>March 31, 2018<br>\$ |
|--------------------------|--|---------------------------------------|
| Beginning balance        | 2,781,772                                    | 2,704,117                             |
| Geology                  | nil  | 77,655                                |
| Exploration expenditures | nil  | 77,655                                |
| Total                    | 2,781,772                                    | 2,781,772                             |



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### Selected Quarterly Information

| Three Months      | Net Revenues (\$) | Net Income (Loss) |                                    | Total Assets (\$) |
|-------------------|-------------------|-------------------|------------------------------------|-------------------|
|                   |                   | Total (\$)        | Per Share (Basic and Diluted) (\$) |                   |
| 2018-June 30      | -                 | (190,888)         | (0.01)                             | 19,317,492        |
| 2018-March 31     | -                 | 200,230           | 0.00                               | 18,814,531        |
| 2017-December 31  | -                 | (446,710)         | 0.00                               | 18,758,642        |
| 2017-September 30 | -                 | (297,620)         | 0.00                               | 17,577,855        |
| 2017-June 30      | -                 | (386,335)         | (0.01)                             | 17,738,252        |
| 2017-March 31     | -                 | (625,336)         | (0.03)                             | 17,950,628        |
| 2016-December 31  | -                 | 114,991           | 0.00                               | 18,294,680        |
| 2016-September 30 | -                 | (134,242)         | (0.01)                             | 14,991,315        |

### Results of Operations

#### Three Months Ended June 30, 2018, compared with Three Months Ended June 30, 2017

Minnova's net loss totaled \$190,188 for the three months ended June 30, 2018, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$386,335 with basic and diluted loss per share of \$0.01 for the three months ended June 30, 2017. The decrease of \$196,147 in net loss was principally due to:

- General and Administrative expenses for the three months ended June 30, 2018 decreased to \$45,349 for the three months ended June 30, 2018 to \$89,624 for the three months ended June 30, 2017. The decrease is mainly due to lower business development costs incurred during the quarter ended June 30, 2018.
- Stock-based compensation decreased to \$nil for the three months ended June 30, 2016 as compared to \$263,227 for the three months ended June 30, 2017 due to the vesting of the RSU issued during the quarter ended June 30, 2017.

### Liquidity and Capital Resources

This section should be read in conjunction with the unaudited condensed interim statements of financial position for the three months ended June 30, 2018, and the corresponding notes thereto.

The activities of the Company are principally the acquisition and exploration of mineral properties. The Company's financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company currently has no revenue to finance its operations. It is therefore required to fund its activities through the issuance of equity securities and other financing alternatives. The Company's ability to continue as a going concern is therefore dependent upon its ability to raise funds.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$9,776,610. As at June 30, 2018, the Company had cash of \$50,841 and current liabilities of \$2,306,987.

To continue operations and to fund future obligations, the Company will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available; however, there can be no assurance that the Company will be successful in its

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future fund-raising activities. See “Risks and Uncertainties” below.

The Company relies on issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data about what the Company manages as capital:

|                             | June 30,<br>2018<br>\$ | March 31,<br>2018<br>\$ | Change<br>\$ |
|-----------------------------|------------------------|-------------------------|--------------|
| Cash and cash equivalent    | 50,841                 | 73,353                  | (22,512)     |
| Share capital               | 20,503,124             | 20,406,831              | 96,293       |
| Share based payment reserve | 2,986,194              | 2,999,687               | (13,493)     |
| Deficit                     | (9,776,610)            | (9,585,722)             | (190,888)    |

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations, including its flow-through obligations and its exploration program. To manage the Company’s capital, given the recent economic conditions, management has streamlined operational costs and is preserving cash to the extent possible, while exploring means of raising additional funds as and when required.

As at June 30, 2018, the Company had working capital deficit of \$1,998,565 compared to working deficit of \$1,711,292 as at March 31, 2018. Management believes that additional financing will be available to discharge current liabilities.

Amounts receivables were \$225,525 at June 30, 2018 and consisted of HST/GST input tax credit claims compared to \$188,627 as at March 31, 2018. The increase is mainly due to HST/GST input tax credit claims that increased during the quarter. Amounts payable and accrued liabilities, which are expected to be paid in the normal course of business, were collectively \$2,029,454 at June 30, 2018, compared to \$1,775,948 at March 31, 2018.

### Cash used in operating activities

Cash used in operating activities was \$25,667 for the three months ended June 30, 2018, compared to cash used in operating activities of \$222,581 for the three months ended June 30, 2017. The decrease of \$196,914 in cash used in operating activities is largely due to the change in non-cash working capital during the three months ended June 30, 2018.

### Cash used in investing activities

Cash used in investing activities was \$79,645 for the three months ended June 30, 2018, compared to cash used in investing activities of \$401,742 for the three months ended June 30, 2017. The decrease of \$322,097 in cash used in investing activities is due to a decrease in deferred exploration expenditures for the three months ended June 30, 2018, compared to the three months ended June 30, 2017.

### Cash from financing activities

There were no financing activities during the three months ended June 30, 2018 and 2017.

## Shares Issued and Outstanding

As of June 30, 2018, the issued and outstanding common shares of the Company totaled 30,936,173 and an aggregate of 3,871,757 share purchase warrants and 428,070 broker warrants outstanding, each entitling the holder to acquire one common share of Minnova Corp. In addition, a total of 2,275,000 stock options have been granted to purchase common shares of the Company. As of the date of this MD&A, share purchase warrants consisted of.

As of the date of this MD&A, share purchase warrants consisted of:

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| Number of Warrants Outstanding | Exercise Price (\$) | Expiry date   |
|--------------------------------|---------------------|---------------|
| 2,152,393                      | 0.85                | May 4, 2019   |
| 777,750                        | 0.85                | June 2, 2019  |
| 306,000                        | 0.75                | June 1, 2019  |
| 130,999                        | 0.75                | June 6, 2019  |
| 504,615                        | 0.75                | June 11, 2019 |
| <b>3,871,757</b>               |                     |               |

As of the date of this MD&A, stock options consisted of:

| Number of Stock Options Outstanding | Exercise Price (\$) | Expiry date        |
|-------------------------------------|---------------------|--------------------|
| 600,000                             | 0.38                | January 27, 2019   |
| 725,000                             | 0.40                | September 26, 2019 |
| 225,000                             | 0.36                | March 1, 2021      |
| 300,000                             | 0.75                | July 25, 2021      |
| 425,000                             | 0.85                | January 22, 2022   |
| <b>2,275,000</b>                    |                     |                    |

### Financings

The Company did not complete any financings during the quarter.

### Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

(a) The Company entered into the following transactions with related parties:

|  | Three Months ended June 31, |            |
|--|-----------------------------|------------|
|  | 2018<br>\$                  | 2017<br>\$ |
| Irwin Lowy LLP <sup>(i)</sup> - professional and consulting fees | 6,861                       | 35,013     |

- (i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and the fees relate to professional services provided by the firm. As at June 30, 2018, the Company owed \$11,272 (March 31, 2018 - \$nil) to this firm and this amount is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(b) Remuneration of Directors of the Company was as follows:

|  | Three Months Ended June 30, 2018 | Three Months Ended June 30, 2017 |
|--|----------------------------------|----------------------------------|
|--|----------------------------------|----------------------------------|

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| Directors       | Fees<br>\$    | Stock<br>Options<br>\$ | Total<br>\$   | Fees<br>\$    | Stock<br>Options<br>\$ | Total<br>\$   |
|-----------------|---------------|------------------------|---------------|---------------|------------------------|---------------|
| Gorden Glenn    | 4,000         | -                      | 4,000         | 5,000         |                        | 5,000         |
| Brian Robertson | 4,000         | -                      | 4,000         | 4,000         | -                      | 4,000         |
| Chris Irwin     | 4,000         | -                      | 4,000         | 4,000         | -                      | 4,000         |
| James White     | 4,000         | -                      | 4,000         | 4,500         | -                      | 4,000         |
| <b>Total</b>    | <b>16,000</b> | <b>Nil</b>             | <b>16,000</b> | <b>17,000</b> | <b>Nil</b>             | <b>17,000</b> |

Director fees - the board of directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services.

(c) Remuneration key management personnel of the Company were as follows:

| Officers              | Three Months Ended June 30, 2018 |                        |               | Three Months Ended June 30, 2017 |                        |               |
|-----------------------|----------------------------------|------------------------|---------------|----------------------------------|------------------------|---------------|
|                       | Fees<br>\$                       | Stock<br>Options<br>\$ | Total<br>\$   | Fees<br>\$                       | Stock<br>Options<br>\$ | Total<br>\$   |
| Gorden Glenn<br>- CEO | 60,000                           | -                      | 60,000        | 60,000                           | -                      | 60,000        |
| <b>Total</b>          | <b>60,000</b>                    | <b>Nil</b>             | <b>60,000</b> | <b>60,000</b>                    | <b>Nil</b>             | <b>60,000</b> |

Salaries and benefits - officers are entitled to stock options, consulting fees and salaries and benefits where employment or service contracts are in place with the Company for their services.

- (i) During the quarter ended June 30, 2018 cash fees (inclusive of HST) paid to a corporation controlled by the CEO of the Company were \$nil compared to \$60,000 for the quarter ended June 30, 2017 and the balance of the contracted amounts have been accrued. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

### Change in Accounting Policies

#### IFRS 2 - Share-based Payment ("IFRS 2")

IFRS 2 was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. On April 1, 2018, the Company adopted this amendment and has determined that the adoption of this new amendment does not have a significant impact on its financial statements.

#### IFRS 15 - Revenue From Contracts With Customers ("IFRS 15")

IFRS 15 proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. On April 1, 2018, the Company adopted IFRS 15 and has determined that the adoption of this new standard does not have a significant impact on its financial statements.

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### IFRS 9 Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014)) to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;  
Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

The following table summarizes the classification and measurement changes under FRS 9 for each financial instrument:

| Classification                           | IAS 39                                       | IFRS 9         |
|--|--|----------------|
| Cash and cash equivalents                | Loans and receivables (amortized cost)       | Amortized cost |
| Amounts receivable                       | Loans and receivables (amortized cost)       | Amortized cost |
| Accounts payable and accrued liabilities | Other financial liabilities (amortized cost) | Amortized cost |
| Hydro contract accrual                   | Other financial liabilities (amortized       | Amortized cost |

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

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### **Future Accounting Changes**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after April 1, 2018 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

### **Financial Instruments**

There have been no changes to the risk objectives, policies and procedures from the previous period. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### **Credit Risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, amounts receivable and restricted cash equivalents. Restricted cash equivalents consists of a GIC which have been invested with a reputable Canadian financial institution. The Company does not hold any non-bank asset backed commercial paper and management believes the risk of loss is remote. Management believes that the credit risk concentration with respect to its financial instruments is remote.

#### **Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2018, the Company did not have sufficient cash and cash equivalents to settle current liabilities of \$2,683,285. Management believes that additional financing (see “Financings” above) will be available to discharge current liabilities. Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

#### **Interest Rate Risk**

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Currently, the Company does not hedge against interest rate risk.

#### **Foreign Currency Risk**

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small, and therefore, does not hedge its foreign exchange risk.

#### **Commodity Price Risk**

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The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to precious and base metals to determine the appropriate course of action to be taken by the Company.

### **Fair Value**

The Company has, for accounting purposes, designated its cash and amounts receivable as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As at June 30, 2018, the Company did not have any financial instruments carried at fair value. As of June 30, 2018, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent because of the limited term of these instruments.

### **Managing Capital**

The Company manages its capital with the following objectives:

- to ensure sufficient flexibility to achieve the ongoing business objectives including funding of future resource based exploration and investment initiatives; and,
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties for the mining of gold, nickel and copper. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be total shareholders' equity (managed capital) which at June 30, 2018, totaled \$13,712,708 (March 31, 2018 - \$13,820,796).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, as well as other investing and financing activities. The forecast is regularly updated based on activities related to the acquisition, exploration and development of its mineral properties. The Board of Directors regularly reviews the Company's capital management approach. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended June 30, 2018.

The Company is not subject to any capital requirements imposed by a lending institution.

### **Commitments and Contractual Obligations**

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to cleanup costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees. The Company has not determined and is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be

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enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take. The Company has provided a letter of credit in the amount of \$75,000 to the Government of Manitoba under the terms of the Closure Plan on the PL property. The Company further provided all assets, goods and personal property involved in the operation of the PL property, as a security of up to \$5,000,000 for the performance of the Closure Plan and the rehabilitation program.

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada). The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments. As at June 30, 2018, the Company is committed to incurring \$nil in qualifying exploration expenditures in Canada by December 31, 2018.

The following table sets out as at June 30, 2018, the Company's known contractual obligations and the estimate time horizon for their repayment.

| Contractual Obligations | Payments due by period |            |            |            |                  |
|-------------------------|------------------------|------------|------------|------------|------------------|
|                         | Total                  | <1 year    | 1-3 years  | 3-5 years  | >5 years         |
|                         |                        |            |            |            |                  |
| Closure and reclamation | 2,921,499              | -          | -          | -          | 2,921,499        |
|                         |                        |            |            |            |                  |
| <b>Total</b>            | <b>2,921,499</b>       | <b>Nil</b> | <b>Nil</b> | <b>Nil</b> | <b>2,921,499</b> |

The Company is party to a management contract. This contract contains clauses requiring additional payments of up to \$480,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not occurred, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under the agreement are approximately \$480,000, of which \$240,000 is due within one year.

## Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks Factors" in the Company's Annual MD&A for the fiscal year ended March 31, 2018, available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Off Balance Sheet Items

There are no off balance sheet items.

## Outlook

Minnova remains focused on the successful re-start of gold production at the past producing PL Gold Mine and continues to de-risk the project through a series of technical programs including detailed infill drilling and ongoing discussions with equipment manufacturers and independent geological and engineering consultants on applicable mechanized mining methods.

During the period activities on site were limited to re-logging of historic core and selective re-sampling of core, rejects and pulps with a plan to submit samples for total metallics assay technique. Preliminary re-sampling indicates that assays may be under estimating gold grades.

During the year ended March 31, 2018 we successfully accomplished several new major project milestones with the completion of;



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- i) discovery of new gold showings on strike from the PL Gold Deposit
- ii) received Water Use License
- iii) updated resource estimate
- iv) inaugural reserve estimate
- v) a positive Feasibility Study
- vi) positive drill results demonstrating shallow on-strike resource expansion

The 2017 FS confirmed management's expectations that the PL Gold Mine re-start is a robust project with a low initial capital requirement, low cash operating costs, quick payback and a minimum mine life of 5 years based on only the proven and probable reserves. We continue to review, refine and optimize this plan in support of ongoing financing discussions to fund the re-start of gold production. We are actively engaged in discussions with existing supportive shareholders, new investors and lenders to identify the optimal funding structure for the project.

Together the PL and Nokomis gold deposits support mineral resources amenable to open pit and underground mining methods that include Measured and Indicated mineral resources totaling 327,900 ounces of gold and Inferred mineral resources of 438,600 ounces of gold.

Our re-start plans benefit greatly from the fact that major infrastructure and permits for the project are already in place and includes; access to low cost grid power, a 1,000 tpd mill, 7,000 meters of underground development to a depth of 140 meters and our existing Environment Act License No. 1207E and various other permits. With adequate, well structured, funding in place we believe the PL Gold Mine can deliver significant value to our shareholders and position the company for future growth.

Our business model is committed to putting shareholder returns first and we actively review other advanced, development stage – low capex, resource projects that we can apply our business model to.

## **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and Interim Chief Financial Officer ("CFO"), on a timely basis so that appropriate decisions can be made to facilitate full and timely disclosure to the public.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was conducted June 30, 2017, by and under the supervision of management, including the CEO and Interim CFO. Based on this evaluation, the CEO and Interim CFO have concluded that disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time periods specified in those rules.

Because of inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Audit Committee of the Company has reviewed this MD&A, and the unaudited condensed interim financial statements for the three months ended June 30, 2018, and the board of directors approved these documents prior to their release.

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### Additional Disclosure

|  | Three Months Ended<br>June 30, |            |
|--|--------------------------------|------------|
|  | 2018<br>\$                     | 2017<br>\$ |
| Business development                   | 11,659                         | 83,292     |
| Salaries and benefits                  | 3,283                          | 2,295      |
| Travel                                 | 11,350                         | -          |
| Office and general                     | 7,624                          | 95         |
| Shareholder information                | 314                            | 2,886      |
| Stock exchange and transfer agent fees | 11,119                         | 1,056      |

### Subsequent Events

None

*"Signed Gorden Glenn"*

Gorden Glenn  
Chief Executive Officer

*"Signed Christopher Irwin"*

Christopher Irwin  
Interim Chief Financial Officer

August 29, 2018.