



MARITIME RESOURCES

MARITIME RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2019

(Expressed in Canadian dollars)



This Management's Discussion and Analysis ("MD&A") of Maritime Resources Corp. ("Maritime" or the "Company") is dated April 28, 2020 and provides an analysis of our audited financial results for the years ended December 31, 2019 and 2018. This MD&A should be read in conjunction with Maritime's audited financial statements and notes thereto for the years ended December 31, 2019 and 2018 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), available on www.sedar.com. This MD&A contains forward-looking statements that are based on management's current expectations, are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to Maritime's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in forward-looking statements (please see "Cautionary Note Regarding Forward-Looking Information" below). The Company's common shares trade on the Toronto Venture Stock Exchange (the "TSX-V") under the stock trading symbol MAE. Additional information relevant to the Company's activities, including the Company's audited financial statements, can be found at www.sedar.com or the Company's website at www.maritimeresources.com.

Maritime is a Canadian-based junior gold and base metals exploration company focused on re-starting its past producing Hammerdown gold mine, located near the Baie Verte Mining District and Springdale in Newfoundland and Labrador as well as exploration on its other properties in the region. Maritime holds a 100% interest in 65% of the Green Bay Property licenses with the remaining 35% under option agreements to earn 100% ownership. The Green Bay Property hosts the former Hammerdown gold mine including resource estimates on two gold deposits, the Hammerdown and the Orion deposits, separated by a 1.5 kilometre distance.

2019 AND RECENT HIGHLIGHTS

- Announced and filed a technical report for a Preliminary Economic Assessment for the Hammerdown gold project, including the Orion deposit, with after-tax NPV_{5%} of \$111.3m, IRR 50.5% and a 1.5 Year payback.
- Signed a non-binding letter of intent ("LOI") with Rambler Metals and Mining Canada Limited and advanced a deposit of \$200,000. The non-binding LOI includes an exclusivity period of twelve months for Maritime to evaluate Rambler's Nugget Pond Gold Plant for the purpose of processing feed from the Hammerdown gold project and to complete a feasibility study with the option to negotiate a purchase agreement during that time.
- Discovered a new area of gold mineralization as a result of a regional exploration program at its Whisker Valley project and has expanded the field mapping and sampling program and had expedited the mobilizing of equipment to the property to initiate trenching and diamond drilling.
- Completed a regional 1,934 line-kilometre Airborne Magnetic Survey over the Green Bay, Whisker Valley and Gull Ridge properties.
- Completed the 2019 infill diamond drilling program at the Hammerdown mine site; 3,562 metres of infill drilling in 19 drill holes to aiming to convert additional resources into the higher confidence Measured and Indicated categories from Inferred.
- Completed a Volterra induced polarization ("IP") survey (100-metre line spacing) totalling approximately 19.6 kilometres over 14 lines ranging from 750 metres to 1,900 metres in length at the Hammerdown project.
- Completed a downhole IP survey at Hammerdown on two deep drill holes from 2011 (HD-11-01/02) at depths of 400 metres and 500 metres, respectively.
- Completed a non-brokered private placement for aggregate gross proceeds of \$6,092,500, to carry out Maritime's 2019 plan (see Private placements section below).

PRELIMINARY ECONOMIC ASSESSMENT – HAMMERDOWN, including ORION

On February 29, 2020 the Company announced the results from a Preliminary Economic Assessment ("PEA") completed for the Hammerdown gold project ("Hammerdown", or the "Project"), including the satellite Orion deposit, located in the Baie Verte mining district of Newfoundland and Labrador near the towns of King's Point and Springdale. The PEA was prepared in accordance with Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The PEA provides an updated resource estimate and



a base case assessment of developing the Project as a combined open pit and underground ramp-access mine (the “Combined Project”) with an on-site gold pre-concentration plant and mineral processing through the Nugget Pond mill gold circuit. The PEA Technical Report entitled “Hammerdown Gold Project, Newfoundland and Labrador Preliminary Economic Assessment” (the “Technical Report”) dated April 15, 2020 is available on SEDAR (www.sedar.com) and the Company’s website (www.maritimegold.com).

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

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

The PEA highlights are based on the following:

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

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

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

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



Table 2. All-In Sustaining Costs

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

Sensitivities

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

Table 3. Sensitivity to gold price

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

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

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

PEA Overview

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

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



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

Mineral Resource Estimate

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

Table 5. Hammerdown and Orion Pit Constrained Mineral Resource Summary

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

Table 6. Hammerdown and Orion Underground Mineral Resource Summary

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

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

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



11. Modeling for Hammerdown was performed use in GEOVIA Surpac 2019 software with grades estimated using ordinary kriging (OK) interpolation methodology. Orion modeling was performed using Datamine software with grades estimated using ordinary kriging (OK) interpolation methodology.
12. Blocks are 2.5m x1.0m x 2.5m with no sub-blocks.

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

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

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

Mining Overview

A combination of conventional, contractor operated open pit and underground mining at both the Hammerdown and the Orion deposits was selected as the basis for this PEA. Both open pits will utilize 5 metre high benches and a mobile fleet of 7.0 m³ hydraulic excavators, 6.5 m³ front end loaders and 55 tonne haul trucks, supported by 455 kW track dozers and graders to maintain pit floors, dumps and road surfaces. Pit slope angles applied to the pit designs included inter-ramp angles ranging from 48-55 degrees (65-70 degree bench face angles) and were based on the Company's geotechnical investigations during 2019. The mine designs and scheduling were engineered to provide a nominal 1,400 tpd of ROM feed to the sorting plant to produce 700 tpd of feed for the gold circuit. At Hammerdown a total of 1.88 Mt grading 4.23 gpt Au with 28.8 Mt of waste rock is expected to be moved over the LOM. A smaller satellite pit at the Orion deposit is expected to produce 0.58 Mt grading 2.38 gpt Au with 4.87 Mt of waste rock moved. Open pit dilution has been factored at 50%. Waste rock from both open pits will be stored in a waste storage facility located between the two pits, with a portion backfilled at the end of the mine life with reject material from the sorting plant.

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

Table 7. Hammerdown Open Pit and Underground Design

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

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

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

Pre-Concentrating

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

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

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

Mineral Processing Overview

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

**Operating and Capital Costs**

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

Table 10. Operating Costs

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

Table 11. Capital Costs (\$M)

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

Environmental and Permitting Considerations

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

Project Opportunities and Value Enhancements

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

- Conversion of Inferred Resources to the measured and indicated categories through additional diamond drilling, sampling and grade control testing
- Optimizing the mine schedule and material movement
- Supplementary metallurgical optimizations including additional pre-concentration test work



- Geotechnical investigations to complement the current pit slope designs and underground openings
- Environmental baseline studies to support project permitting
- Further optimization of water management and infrastructure designs
- Potential for long term, sustainable use of waste rock as a construction aggregate material

Technical Report & Qualified Persons

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

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

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

2020 OUTLOOK

Hammerdown Gold Project

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

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



2020 Exploration Plans

Hammerdown Gold Project

During 2020 Maritime's exploration activities will be focused on targets in and around the Hammerdown Gold Project, including the Orion satellite deposit and Rumbullion. Based on the PEA study and updated resource estimate it is expected that additional infill drilling will be required within the conceptual mine plan to convert Inferred resources to higher confidence Measured and Indicated resources. A grade control reverse-circulation drill program is also planned within the conceptual mine plan to test short range continuity of the mineralization and reconcile against the resource model. The PEA study identifies areas on surface for future waste rock storage. A condemnation drill program will be required in these areas to ensure any potential mineralization would not be sterilized by a waste rock stockpile.

The primary exploration target for the Company is the Hammerdown Offset. The Hammerdown deposit is cut off by the Captain Nemo fault at a depth of approximately 250m below surface. During 2020 Maritime plans to conduct a diamond drill program to locate the depth extension of the main Hammerdown deposit. This will be supported by structural and geophysical studies.

Regional Exploration

Maritime's regional exploration activities in 2020 will include drill testing of several prospective targets at the Golden Anchor, Rendell Jackman and Whisker Valley projects. At Whisker Valley, several new high grade areas of mineralization were identified in 2019 through prospecting, soil sampling and trenching. An induced polarization (IP) survey is planned for the area covering the Gary vein system on the west side of the valley and the newly discovered mineralized boulder field on the east side of the valley.

OVERVIEW

The Company is a gold and base metals exploration company with a focus on Canadian mining opportunities with advanced exploration assets in Newfoundland and Labrador, Canada. Maritime holds a 100% interest in 65% of the Green Bay Property licenses with the remaining 35% under option agreements to earn 100% ownership. The Green Bay Property hosts the former producing Hammerdown gold mine, located near the Baie Verte Mining District and Springdale, Newfoundland and Labrador and is comprised of 34 individual mineral licenses over 98 square kilometers. Maritime also has a number of highly prospective gold exploration projects including the Whisker Valley and Gull Ridge properties, strategically located on the Baie Verte and Springdale Peninsulas; a prolific gold and base metals mining district.

The Hammerdown gold deposit was successfully mined by Richmond Mines between 2000 and 2004 when gold prices averaged US\$325/oz. During its operation, a total of 291,400 tonnes of ore were extracted, at an average grade of 15.83 gpt Au, recovering a total of 143,000 ounces of gold at an 8 gpt cut-off. All of the ore was processed at the Nugget Pond mill, now owned and operated by Rambler Metals and Mining Canada Limited, with an average gold recovery of 97.1%. Mining terminated in 2004 due to low gold prices with extensive gold mineralization remaining, although uneconomic at that time. The Orion gold deposit consists of two main vein systems, both of which are exposed on surface and open along strike, and down plunge to the northeast.

The Company has also entered into four option to purchase agreements for projects within 10 kilometres of its Hammerdown project (see Exploration section below).

The Whisker Valley properties are earlier stage exploration targets that have returned excellent results from the first phase trenching and geophysical programs carried out in late 2017 and the first two quarters of 2018. During the fourth quarter of 2018, the Company completed a first stage drill program of approximately 650 m to follow up on the success of the early stage programs.



On March 12, 2020, the Company entered into a non-binding LOI with Rambler Metals and Mining Canada Limited, a wholly-owned subsidiary of Rambler Metals and Mining Limited ("Rambler"). The LOI includes an exclusivity period of twelve months to evaluate Rambler's Nugget Pond Gold Plant for the purpose of processing feed from the Hammerdown gold project and to complete a feasibility study with the option to negotiate a purchase agreement during that time. The Gold Plant is a small section of the total Nugget Pond concentrator plant and is not used to process ore by Rambler. Maritime will have a right of first refusal to match any competing offers for the plant during this time. In consideration Maritime advanced a deposit of \$200,000 to Rambler subsequent to December 31, 2019.

On August 1, 2019, Maritime announced the retirement of Bernard Kahlert, P.Geo. who served as Vice President of Exploration for the Company.

In February 2019, the Company announced the appointment Mr. Garrett Macdonald as President and Chief Executive Officer, Ms. Germaine Coombs as Chief Financial Officer and Ms. Lorna MacGillivray as Corporate Secretary.

EXPLORATION

Maritime's Green Bay, Whisker Valley and Gull Ridge properties straddle two major fault systems, the Baie Verte Fault Line and the Green Bay Fault. It is believed that these regional fault structures and closely related splay faults played a significant role in the formation of gold and base metal mineralization in the area. The properties were selected to target the gold potential along this significant regional structural belt, that has juxtaposed a wide variety of rock types originating from a variety of depositional environments. The Baie Verte Peninsula properties include an association with a regional deep crustal fault zone and important conduits for gold bearing fluids. Gold mineralization is epigenetic, structurally-controlled and often associated with splays or secondary structures off regional-scale fault zones; and gold mineralization occurs in a wide range of rock types, and styles.

Maritime's exploration to date on its Green Bay and Whisker Valley projects has recognized the importance of these large-scale regional structures as the conduits for the localization and transport of mineralizing fluids and the secondary splay structures as a depositional environment for these gold rich fluids. This mineralizing system has been productive and formed the Hammerdown Mine gold deposit where high-grade gold and significant widths have been demonstrated. Similarities have also been recognized between the mineralization at Hammerdown with the gold mineralization discovered on Maritime's adjacent Whisker Valley property.

The results achieved to date on the Whisker Valley and Gull Ridge properties have been encouraging. In 2019, Maritime carried out an extensive exploration plan, focused on advancing major gold targets identified to date and regional property wide exploration to identify new targets that may have been overlooked as a result of the patchwork nature of the historical work. The 2019 program entailed geological and structural mapping, sampling, ground geophysics, trenching and diamond drilling. In July 2019, the Company completed a regional 1,934 line-kilometre and high-resolution airborne gradient magnetic and VLF survey over the Green Bay, Whisker Valley and Gull Ridge properties to enhance the regional geological model and identify prospective corridors and locations for the next phases of detailed ground exploration, including soil geochemical sampling and ground IP surveys.

Green Bay Project

Maritime's Green Bay property in central Newfoundland and Labrador hosts the Company's gold and base metal deposits. The recently closed (2004) Hammerdown Mine includes the adjacent Rumbullion and Muddy Shag Gold deposits. The Orion Gold deposit is situated 1.5 kilometres to the Southwest and the Lochinvar base-precious metal VMS deposit is located one kilometre east of Hammerdown.

The main Hammerdown deposit is cut off by a major fault and geological interpretations currently favours that part of the deposit has been offset at depth. An exploration model is being developed to test for the extension of this deposit. The Rumbullion vein system extends for 800 metres to the northeast of the current deposit area and



represents a further opportunity to add new, shallow resources into the Hammerdown resource base. The optioning of the adjacent Inomin Resources property has added further potential extension to the Rumbullion trend.

Hammerdown 2019 Infill Program

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

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

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

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

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

Hammerdown 2018 Drilling Program on the J, K and L Veins

The Company completed 1,733 m of drilling in 31 drill holes immediately south of the historical open pit mining area. The program was designed to follow up on the unmined J, K L and M3 gold rich quartz/sulphide vein system that was outlined from a surface trenching program late 2017 and to test the mineralization in the top 30 m below surface. The goal of the program was to outline a new mineral resource that could potentially be evaluated as a start-up open pit mining operation. During start-up of the original Hammerdown Mine in 2000, Richmond produced approximately 8,500 ounces from the small open pit over a period of just four months before commencing underground operations.

Drill core assays from the Phase 1 diamond drill hole program reported over 100 significant gold assay intercepts in the area immediately southwest and south of the historical open pit mining. A number of the previously designated gold vein zones were intersected in the 2018 program including the J, K, L and M3 vein system. The drilling also identified lower grade zones (1 to 5 gpt Au assays) newly designated as the SFV (sheared felsic volcanic) and QFP (quartz feldspar porphyry) which were not adequately sampled and assayed during the historical exploration and mining period. This newly identified lower grade mineralization is close enough to surface to be captured into a new open pit shell or smaller satellite shell.



The Phase 1 drill hole collars were surveyed and brought into the Company's 3D software to evaluate the continuity of zones.

Table 12. Significant Drill Hole Intersections -- Hammerdown 2018 Drilling Program on the J, K and L Veins

Vein/Zone	Drill Hole	From	To	Width (m)	Au (gpt)
K1 Zone	MP-18-31	22.85	23.88	1.03	6.66
	Includes	22.85	23.21	0.36	13.79
K2 Zone	MP-18-31	26.75	29.00	2.25	2.11
K3 Zone	MP-18-31	36.20	37.72	1.52	2.78
K1 Zone	MP-18-34	29.83	31.03	1.20	3.12
	Includes	30.33	30.53	0.20	18.20
K1 Zone	MP-18-36	73.11	74.07	0.96	2.96
SFV	MP-18-37	16.07	17.84	1.77	1.77
K1 Vein	MP-18-39	68.50	69.70	1.20	10.95
	Includes	69.00	69.20	0.20	54.32
K2 Vein	MP-18-42	12.20	13.64	1.44	27.20
	Includes	12.70	13.14	0.44	88.60
K3 Vein	MP-18-42	14.53	16.29	1.76	3.87
	Includes	14.53	15.03	0.50	9.84
SFV	MP-18-44	41.22	42.58	1.36	1.99
SFV	MP-18-46	21.00	22.00	1.00	2.21
QzPy Vein	MP-18-47	12.59	14.11	1.52	3.36
	Includes	13.19	13.61	0.42	11.89

During the third quarter of 2018, the Company finalized an Option to Purchase Agreement with Inomin Mines Inc. to earn a 100% interest in a property comprised of two separate claim blocks consisting of a total of 129 claim units covering over 3,225 hectares (the "King's Point Property"). The King's Point Property covers geological extensions to the Company's Hammerdown gold deposit that host a number of high-grade gold veins and base metal occurrences.

The northern claim block is located within two kilometres of the Hammerdown gold deposit. This property covers known extensions of the gold bearing deformation zone that host the Hammerdown and Orion deposits including several narrow gold vein intercepts within the Golden Anchor prospect. These veins are similar to the Hammerdown veins with historic samples assaying up to 3 gpt Au and have never been followed up. Under the terms of the agreement Maritime will earn 100% interest in the Inomin property over a 3-year period by spending \$600,000 making cash payments totalling \$300,000 and issuing 2,000,000 shares of Maritime in accordance with the following schedule:

	Cash \$	Common shares #	Minimum required exploration expenditure \$
Upon approval	25,000 (paid)	500,000 (issued)	-
September 17, 2019	50,000(paid)	500,000 (issued)	75,000 (incurred)
September 17, 2020	100,000	500,000	150,000
September 17, 2021	125,000	500,000	375,000
	300,000	2,000,000	600,000

Throughout 2019, the Company continued its surface work on the King's Point Property, mainly prospecting, geochemical sampling and mapping on both the historical target as well as new areas.



Subsequent to December 31, 2019, the Company entered into an option agreement to earn a 100% interest in the Sprucy Pond property which is contiguous to the Hammerdown project, under the following terms:

	Cash	Common shares
	\$	#
Upon approval ¹⁾	10,000	250,000
March 10, 2021	20,000	250,000
March 10, 2022	30,000	250,000
	60,000	750,000

¹⁾ Subsequent to the end of the period, on or before March 10, 2020, the Company made the first payment in cash and shares as per the Sprucy Pond Option agreement.

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

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

Whisker Valley Project

The Whisker Valley project is comprised of 33 licenses, 610 claims and 15,250 hectares and is located six kilometers northwest of the Company's high-grade Hammerdown gold project. In August 2019, the Company staked an additional 188 mineral claims, or 47 square kilometers, both along strike to the northeast and to the southwest. The Company now holds 216 square kilometers along a strike length of 31.5 kilometers of the favourable geology that is host to numerous gold prospects and showings.

On August 27, 2019, the Company announced it has discovered a new area of gold mineralization as a result of a regional prospecting program at its Whisker Valley project and has expanded the field mapping and sampling program and had expedited the mobilizing equipment to the property to initiate trenching and diamond drilling. The current field mapping and sampling programs have identified extensive gold and base metal targets across the Whisker Valley. Although in the early stages of exploration, the widespread extent of gold mineralization in soils, grab samples and at the Ben, Gary and Jackson veins plus the increased abundance of copper sulphides are strong indications of an extensive hydrothermal system and that we may be close to identifying the source of the veins. This current exploration focus is at the northern portion of a prominent magnetic low trend, approximately 10 kilometres in length, identified in the recently completed airborne survey. Magnetic low trends are associated with the areas of hydrothermal alteration observed in the detailed surface mapping, sampling programs and initial diamond drilling at Whisker. The Company has expanded its soil sampling campaign for 2019 to cover the prospective trends and will continue to systematically explore and identify new veins and prospective areas to focus our future exploration drilling campaigns.

The Company's prospecting team has identified a new mineralized boulder field located directly across the valley from the high-grade Ben, Jackson and Gary quartz veins. The newly discovered float samples resemble the mineralization from these veins, however based on glacial ice direction movement on the property and the angularity of the float samples, it is believed that they are derived from a proximal bedrock source area. Overburden (glacial till) is generally less than 2.0 metres thick in this area. A total of 405 angular float samples ranging in size from 0.1 to 0.5 metres have been collected and assayed in 2018 and 2019 across the Whisker Valley project with thirty nine (39) angular float samples from the newly discovered boulder field assaying greater than 1.0 gpt Au found in this area. These samples assayed up to 83.8 gpt Au, 154.0 gpt silver ("Ag") and 1.6% Cu and averaged 12.2 gpt Au, 20.3 gpt Ag and 0.4% Cu. Eleven (11) angular float samples in this set assayed greater than 10.0 gpt Au, averaging 33.8 gpt Au, 39.6 gpt Ag and 0.93% Cu.



Results from an additional 50 float samples for this area are pending and the Company expects that the results, once received, will assist in tracing the mineralized float to their bedrock source. Trenching is planned in this area and if successful results are obtained, follow up diamond drilling will be conducted to test the depth extent of any surface mineralization identified.

Whisker Valley is characterized by a series of three sulphide bearing quartz veins containing high grade gold (Gary, Ben and Jackson). The high-grade nature of the veins has been encountered over the entire 200 metres of exposed trenches and is open in both directions. The similarities to Hammerdown are very evident, even at this early stage of exploration.

Table 13. Significant Drill Hole Intersections -- Whisker Valley December 2018 Drill Program

Vein/Zone	Drill Hole	From (m)	To (m)	Width (m)	Au (gpt)
Gary	WH-18-01	83.50	84.49	0.99	1.69
	WH-18-01	93.45	96.64	3.19	3.16
	WH-18-01	98.30	98.50	0.20	2.65
Jackson	WH-18-02	82.80	83.60	0.80	4.08
	WH-18-02	85.41	85.70	0.29	15.18
Ben	WH-18-03	32.07	32.19	0.12	3.05
	WH-18-03	33.89	34.09	0.20	1.52
	WH-18-03	45.10	46.07	0.97	16.04
	Including	45.67	46.07	0.40	36.61
Gary	WH-18-04	42.30	42.55	0.25	5.54
	WH-18-04	73.37	73.70	0.33	24.06

Ben Vein

The Ben Vein has been exposed over a strike length of 90 metres and remains open in both directions. Results from the most westerly portion of the Ben 1 Vein has returned a weighted average grade over 31 metres of 7.57 gpt Au over an average width of 1.31 metres. The Ben 2 Vein returned a weighted average grade over 31 metres grading 13.42 gpt Au over an average width of 1.09 metres. These are parallel veins that sit approximately two metres apart at the western end of the exposed system. The most recent assays of the easterly extension of the Ben 2 Vein has returned composited grades of 4.25 gpt Au over a strike length of 13.00 metres, 2.02 gpt Au over a strike length of 22.50 metres, 4.7 gpt Au over a strike length of 5 metres, as well as, 1.34 gpt Au over a strike length of 17.50 metres.

Jackson Vein

The Jackson Vein has been mapped over a total strike length of 84 metres with composited results from the most easterly 34 metre section of the vein returning a weighted average grade of 13.66 gpt Au with an average vein width of 1.23 metres. Assays of the westerly extension of the Jackson 2 Vein have returned composited grades of 10.22 gpt Au over a strike length of 23.75 metres, as well as 3.59 gpt Au over a strike length of 26.25 metres as outlined in the table above. Significant to note as well are the occurrence of mineralized tension gash veins/ alteration in the immediate hanging wall and footwall to the Jackson Vein. Assays from several tension gash/ alteration returned 15.73 gpt Au over 0.30 metres, 3.78 gpt Au over 0.36 metres as well as 20.38 gpt Au over 0.15 metres.

Gary Vein

The Gary Vein is located on the most easterly exposed portion of the vein system discovered during the trenching program last fall. The vein is represented by a robust gold base metal bearing quartz vein, containing localized occurrences of galena, pyrite and chalcopryrite and visible gold hosted in altered granitic rocks. The Gary Vein has now been mapped over a strike length of 28 metres and remains open in both directions. Results from the channel samples returned a weighted average grade of 16.61 gpt Au with an average vein width of 0.91 metres over a projected calculated sample strike length of 38 metres. The most easterly sample returned grades of 25.67 gpt Au with the most westerly sample returning grades of 42.91 gpt Au. Drill hole WH-18-4 was drilled on the IP anomaly



50 metres east of the last vein exposure and encountered the Gary Vein with high grade gold values. This demonstrates that the IP survey detects the extension of the Gary Vein.

Whisker Valley Geophysical Program

A detailed Induced Polarization (IP) program was completed at Whisker Valley in March of 2018. Approximately 15-line kilometres of surveying was completed on 50 metre spaced lines over the new Whisker Valley vein system which has outlined a series of high-grade gold veins as recently reported by Maritime. The gold veins carry disseminated pyrite and base metals sulphides which are detectable by the IP geophysical method. The 2018 IP Survey was designed to test the depth potential of the known vein system as well as search for extensions to the east and west ends of the veins. The last vein exposures at the east and west ends were channel sampled returning high-grade gold assay results exceeding 10 gpt Au on the west end and 20 gpt Au on the east end. The gold veins carry with them disseminated pyrite and base metals sulphides which are detectable by the IP geophysical method. The detailed IP program was completed in February and March 2018 and covered approximately 10-line kilometres on 50 metre spaced lines.

Interpretation of the IP Survey by consulting Geophysicist Cliff Candy, P.Ge., of Frontier Geosciences, outlined four significant anomalous responses in the survey area. The IP survey returned a strong positive response over a continuous 500 metre target area. This survey demonstrated anomalous values over the entire length of the known vein system and further extends the target area 200 metres to the east and 100 metres to the west.

The geophysical anomalies generally show increasing in strength with depth, indicating increasing sulphides in deeper portions of the veins. The strongest IP response is over the 50 metre long Gary Vein and extends for further 150 metres to the east, likely due to the presence of sulphides which is associated with gold at the Gary vein.

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

Whisker Valley Option Agreements

On February 27, 2017, the Company entered into an agreement to acquire a 100% interest in the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada, under the following terms:

	Cash \$	Common shares #	Minimum required exploration expenditure \$
Upon approval	25,000 (paid)	100,000 (issued)	-
March 22, 2018	20,000 (paid)	150,000 (issued)	100,000 (incurred)
March 22, 2019	30,000 (paid)	200,000 (issued)	250,000 (incurred)
March 22, 2020 ¹⁾	50,000	250,000	300,000
March 22, 2021	75,000	300,000	500,000
March 22, 2022	100,000	500,000	500,000
	300,000	1,500,000	1,650,000

¹⁾ Subsequent to the end of the period, on or before March 22, 2020, the Company made the third anniversary payment in cash and shares as per the Whisker Valley Option agreement.

The Company is required to make an additional payment to the optionors of \$50,000 on each of the first, second and third anniversary upon full exercise of its option having issued all of the payments and shares and incurred all of the expenditures. The property is subject to a 2.5 % NSR, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commencement of commercial production.



On December 1, 2017, the Company also added to the Whisker Valley project by entering into an option agreement to acquire 100% interest in the Strugglers Pond property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), under the following terms:

	Cash \$	Common shares #	Minimum required exploration expenditure \$
Upon approval	2,000 (paid)	10,000 (issued)	5,000 (incurred)
December 27, 2018	3,000 (paid)	15,000 (issued)	25,000 (incurred)
December 27, 2019	10,000 (paid)	25,000 (issued)	50,000 (incurred)
December 27, 2020	15,000	50,000	120,000
	30,000	100,000	200,000

During the fourth quarter of 2019, the Company exercised its option to acquire 100% interest in the El Strato property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley) under the following terms:

	Cash \$	Common shares #
Upon approval	5,000 (paid)	250,000 (issued)
November 23, 2018	10,000 (paid)	250,000 (issued)
November 23, 2019	25,000 (paid)	250,000 (issued)
	40,000	750,000

The Strugglers Pond and El Strato properties are subject to separate 2% NSR royalties, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commercial production.

Gull Ridge Project

In January 2019, the Company staked the new Gull Ridge project claims which include approximately 6,450 hectares on 258 claim units situated in the southern part of the Baie Verte Peninsula. The Gull Ridge property has been recognized by Maritime as a significantly underexplored target area for base and precious metals. During the 2019 exploration season Maritime completed a comprehensive compilation of all historical exploration data over the Gull Ridge property area. Field work in 2019 consisted of field mapping, prospecting and focused geochemistry.

FINANCIAL POSITION

Cash

Cash totaled \$1,827,157 as at December 31, 2019, compared to \$2,359,066 as at December 31, 2018. The decrease in cash was mainly due to expenditures on the Company's exploration activities and the PEA for the Hammerdown project, corporate general and administrative expenses as well as severances paid during 2019. The Company's Canadian cash are held on deposit or in highly liquid, fully redeemable Guaranteed Investment Certificates with a major Canadian bank.

Receivables

Receivables of \$161,546 as at December 31, 2019, compared to \$40,953 as at December 31, 2018 related mainly to input sales tax and increased as a result of increased exploration activities during 2019. Subsequent to December 31, 2019, the Company received an input sales tax refund of \$123,275.

**Property and equipment***Vehicles*

During the year ended December 31, 2019, the Company purchased two vehicles for use at its exploration properties for a total expenditure of \$30,451 less depreciation expense during the period of \$4,229 resulting in a carrying book value of \$26,222.

Right of use asset and lease liability

The Company has applied IFRS 16 using the modified retrospective approach which requires the cumulative effect of initial application to be recognized in retained earnings at January 1, 2019. On adoption of IFRS 16, the Company recognized a lease liability for an office lease previously classified as an operating lease under IAS 17. The liability was measured at the present value of the remaining lease payments, discounted using the Company's applicable incremental borrowing rate as of January 1, 2019 of 8% and assumes Maritime will not renew the lease upon termination. On transition, the associated right-of-use asset was measured at \$106,720 being the amount equal to the lease liability and was reduced by \$32,036 during the three month period ended September 30, 2019 due to a reduction in future monthly lease payments. During the year ended December 31, 2019, the lease liability was reduced by \$59,747 for payments during the period. As at December 31, 2019, the Company is required to pay \$10,500 in undiscounted lease payments over the remaining term which are due within one year.

The Company has elected not to recognize a right of use asset and lease liability for a month to month sub lease that it has for its Toronto office. This lease can be terminated without permission with no significant penalty and does not meet the definition of an enforceable contract under IFRS 16. The lease payments associated with this lease are charged directly to the statement of loss and comprehensive loss. During the year ended December 31, 2019, the Company incurred \$53,863 for the office lease not included in lease liabilities.

Mineral properties

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

	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Total \$
Balance, December 31, 2017	6,250,856	218,748	-	6,469,604
Acquisition costs – cash	25,000	48,000	-	73,000
Acquisition costs – shares	45,000	37,700	-	82,700
Exploration expenses:				
Drilling and assaying	289,772	77,842	-	367,614
Geology and engineering	473,476	146,442	-	619,918
Property	55,991	585	-	56,576
Geophysics	11,208	47,500	-	58,708
Other	13,266	9,611	-	22,877
	913,713	367,680	-	1,281,393
Less: Recoveries and grants	(10,153)	-	-	(10,153)
Net additions	903,560	367,680	-	1,271,240
Balance, December 31, 2018	7,154,416	586,428	-	7,740,844
Acquisition costs – cash	50,765	80,320	3,870	134,955
Acquisition costs – shares	42,500	39,750	-	82,250
Exploration expenses:				
Drilling and assaying	851,326	141,910	7,329	1,000,565
Geology	710,573	773,197	32,570	1,516,340
Property	52,257	-	-	52,257
Geophysics	217,863	65,765	25,238	308,866
Pre-feasibility study update	1,155,555	-	-	1,155,555
	3,080,839	1,100,942	69,007	4,250,788



	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Total \$
Less: Recoveries and grants	(65,250)	-	-	(65,250)
Net additions	3,015,589	1,100,942	69,007	4,185,538
Balance, December 31, 2019	10,170,005	1,687,370	69,007	11,926,382

During the year ended December 31, 2019, the Company received \$65,250 (2018 – \$10,153) pursuant to an application made with the Government of Newfoundland and Labrador in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program (JEAP) grant for exploration conducted during 2018 and 2017, respectively.

Accounts payable and other liabilities

As at December 31, 2019, accounts payable and accrued liabilities were \$453,070 (2018 – \$121,441). The increase is due to the increased level of activities at the Company's exploration projects during the period, as well as the work in progress to update the pre-feasibility study on the Hammerdown project.

Loan

On April 25, 2017, the Company entered into a loan arrangement ("Bridge Financing Agreement") pursuant to which it received \$500,000 and provided for a maturity date of one year (the "Maturity Date"), interest of 8% per annum and was repayable upon earliest of: the maturity date, raising \$2,000,000 or more in equity or debt financing, or committing an event of default. In connection with the Bridge Financing Agreement, the lender received a bonus of 333,333 common shares of the Company valued at \$46,667, non-transferable warrants valued at \$105,387 allowing for the purchase of up to, in the aggregate, 1,666,666 additional common shares of the Company at \$0.15 per share, which expired unexercised on April 26, 2018, and cash finders fees of \$30,000. The effective interest rate, including bonus shares and warrants was 44%. During the period ended March 31, 2018, the Company recorded accrued interest of \$9,315 and accretion expense of \$57,360 in the statement of loss and comprehensive loss and the loan balance accreted to \$500,000. On March 26, 2018, the loan of \$500,000 and related interest of \$36,712 was repaid.

Private placements and flow-through premium liability

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

Each Unit consisted of one common share and one-half of one transferable common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to acquire one common share of the Company at a price of \$0.15 per common share for a period of 24 months following the closing date of the Offering (the "NFT Warrants"). Each FT Unit consisted of one common flow-through share and one half of one transferable common share purchase warrant ("FT Warrant"). Each whole FT Warrant entitles the holder to acquire one non flow-through common share of the Company at a price of \$0.15 per common share for a period of 24 months following the closing date of the Offering (the "FT Warrants").

The flow-through shares were issued at a premium of \$402,833. Pursuant to the Company incurring eligible flow-through expenditures during the year ended December 31, 2019, \$355,234 was recognized into income.

The Company paid aggregate finders' and advisory fees to certain brokers of \$412,909 and 3,863,294 finders' warrants valued at \$126,562, including \$156,532 and 1,563,273 finders' warrants to Dundee Goodman Merchant Partners, a division of Goodman & Company, Investment Counsel Inc. As an advisor, Sprott Capital Partners LP received \$156,532 and 1,563,273 finders' warrants, and for certain orders, received finders' fees in the aggregate of \$11,995, for services related to its engagement. Following the financing, Dundee Corporation's wholly owned



subsidiary, Dundee Resources Limited now owns 36,932,036 shares of Maritime, representing an approximate 19.54% interest.

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

- Pursuant to a private placement on November 7, 2018, the Company issued 25,460,900 non flow-through units ("November 2018 NFT Units") at \$0.11 per unit and 5,402,000 flow-through units ("November 2018 FT Units") at \$0.13 per unit, for gross proceeds of \$3,502,959. Each unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per warrant share expiring November 7, 2020. The flow-through shares were issued at a premium of \$108,040. Pursuant to the Company incurring eligible flow-through expenditures during the year ended December 31, 2019, \$108,040 of flow-through premium was recognized into income.

In connection with this private placement, the Company issued 2,152,791 finders' units. Each finders' unit is comprised of one common share and one-half (1/2) of one non-transferable warrant where each whole finders' unit warrant is exercisable to purchase one common share of the Company at a price of \$0.15 per common share for a period of 24 months expiring November 7, 2020. Also in connection with this private placement, finders' fees of 2,152,791 finders' warrants were issued and entitle the holder to purchase one common share of the Company at a price of \$0.11 per finders' warrant share for a period of 24 months expiring November 7, 2020.

The finders' unit warrants and the NFT finders' warrants were valued at \$22,344 and \$60,365, respectively, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.90%, expected life of 1.5 years, expected volatility of 72.74% and dividend yield of 0% and recorded to share issuance costs.

- Pursuant to a private placement on July 6, 2018, the Company issued 7,600,000 non flow-through units ("July 2018 NFT Units") at \$0.10 per unit and 5,166,667 flow-through units ("July 2018 FT Units") at \$0.12 per unit, for gross proceeds of \$1,380,000, of which \$16,000 was receivable at September 30, 2018. Each July 2018 FT Unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant (the "July 2018 FT Warrant"). Each whole July 2018 FT Warrant entitiled the holder to purchase one common share of the Company (the "July 2018 FT Warrant Share") at a price of \$0.20 per July 2018 FT Warrant Share and expired unexercised on January 6, 2020. The flow-through shares were issued at a premium of \$103,333. The Company recognized the remaining \$20,698 into income during the year ended December 31, 2019, following the recognition of \$82,635 in income during the year ended December 31, 2018 pursuant to the Company incurring eligible flow-through expenditures.

Each July 2018 NFT Unit consisted of one non flow-through common share of the Company and one-half of one common share purchase warrant (the "July 2018 NFT Warrant"). Each whole July 2018 NFT Warrant entitiled the holder thereof to purchase one common share of the Company (the "July 2018 NFT Warrant Share") at a price of \$0.20 per July 2018 NFT Warrant Share and expired unexercised on January 6, 2020. In connection with this private placement, finders' fees of \$30,000 were paid and 480,000 July 2018 NFT Finders' Warrants were issued. Each July 2018 NFT Finders' Warrant entitiled the holder to purchase one common share of the Company at a price of \$0.20 per share and expired unexercised on January 6, 2020. The July 2018 NFT Finders' Warrants were valued at \$17,319 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.90%, expected life of 1.5 years, expected volatility of 98.47% and dividend yield of 0% and recorded to share issuance costs.



- On December 15, 2017, the Company announced a non-brokered private placement of up to \$2,000,000 through the issuance of a combination of non flow-through units ("December 2017 NFT Units") at \$0.10 per Unit and flow-through units ("December 2017 FT Units") at a price of \$0.12 per December 2017 FT Unit. Each Unit consists of one common share and one-half of one common share purchase warrant ("December 2017 Warrant"). Each whole December 2017 Warrant entitles the holder to acquire one common share of the Company at a price of \$0.20 per common share for 18 months following the closing date of the private placement and expired unexercised.

The December 2017 private placement closed in 4 tranches and raised gross proceeds of \$608,000 in the first tranche during the year ended December 31, 2017 and \$1,134,754 in 3 tranches in each of the January, February and March months of 2018 as follows:

Closing Date	January 11	February 15	March 21	Total
Gross Proceeds	\$326,920	\$277,834	\$530,000	\$1,134,754
FT Shares Issued	666,000	250,000	-	916,000
NFT Shares Issued	2,470,000	2,478,340	5,300,000	10,248,340
Warrants Issued	1,568,000	1,364,170	2,650,000	5,582,170
Warrant Exercise Price	\$0.20	\$0.20	\$0.20	
Warrant Expiry Date	July 11, 2019	August 15, 2019	September 21, 2019	
Finders' Fees				
Cash	-	\$8,400	\$15,000	\$23,400
NFT Shares Issued	-	488,480	-	488,480
Warrants Issued	-	824,886	350,000	1,174,886
Exercise Price	-	\$0.20	\$0.20	
Expiry Date	-	August 15, 2019	September 21, 2019	

The flow-through shares, issued in the January 11 and February 15 tranches, were issued at premiums of \$13,320 and \$5,000, respectively and were fully recognized into income during the year ended December 31, 2018.

Flow-through premium liability	\$
Balance – December 31, 2017	63,982
Flow-through premium liability additions	229,693
Settlement of flow-through premium to income	(164,937)
Balance – December 31, 2018	128,738
Flow-through premium liability additions	402,833
Settlement of flow-through premium to income	(483,972)
Balance – December 31, 2019	47,599

Shares issuances related to property option agreements

During the year ended December 31, 2019, the Company issued 500,000 common shares, valued at \$42,500, in connection with the Inomin property; 200,000 common shares, valued at \$19,000, in connection with the Whisker Valley property; 250,000 common shares, valued at \$18,750, in connection with the El Strato property; and 25,000 common shares, valued at \$2000, in connection with the Strugglers Pond property. During 2018, the Company issued 150,000 common shares valued at \$16,500 in connection with the Whisker Valley property; issued 500,000 common shares valued at \$45,000 in connection with the Inomin property; issued 250,000 common shares, valued at \$20,000, in connection with the El Strato property; and issued 15,000 common shares, valued at \$1,200, in connection with the Strugglers Pond property.

Royalty units

During fiscal 2016, the Company issued Royalty Units with a price of \$0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. The proceeds of \$210,700 received



in relation to the Royalty Units has been recorded as a Royalty Reserve within Equity.

Royalty Units will return 100% of the original investment made by the purchasers and is to be paid out of production from the Company's Green Bay project. The likelihood of the project going into production cannot be determined at this time. Total royalties payable from the Royalty Units ("Royalty Payment") are capped at \$3,440,500 being the price for which the Equity Units (comprised of common shares and common share warrants) and Royalty Units were purchased. Royalty Payments will be made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow from the Project, with net cash flow representing net production revenues realized from the Project after deduction of all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold.

Hostile takeover bid

On April 13, 2018, Anaconda Mining Inc. ("Anaconda") made a formal unsolicited offer to the Company and its shareholders to acquire all of the issued and outstanding shares of the Company. The offer contemplated the exchange of one common share of the Company for consideration of 0.39 of a common share in Anaconda. The Company engaged legal counsel, financial advisors and strategic advisors to evaluate Anaconda's offer and incurred expenditures of \$619,758 during fiscal 2018, relating to this offer. On July 12, 2018, Anaconda withdrew their offer.

RESULTS OF OPERATIONS

Year ended December 31	2019 \$	2018 \$	2017 \$
Expenses			
Salaries and benefits	516,376	-	-
Severance	992,497	-	-
Administration	243,713	351,465	344,159
Consulting	28,000	449,270	429,079
Directors' fees	77,555	18,000	27,000
Investor relations and promotion	194,780	747,205	314,511
Professional fees	101,912	68,360	72,189
Professional fees – hostile takeover	-	619,758	-
Share-based payment	330,348	309,664	239,912
Depreciation	63,976	-	-
Interest expenses on lease liability	3,178	-	-
Financing expense, accretion and interest on loans payable	-	66,675	162,091
	(2,552,335)	(2,630,397)	(1,588,941)
Interest income	62,829	-	1,398
Recognition of flow-through premium liability	483,972	164,937	72,685
Loss and comprehensive loss for the year	(2,005,534)	(2,465,460)	(1,514,858)
Loss per share	(0.01)	(0.03)	(0.02)
Total assets	14,076,443	10,187,022	6,938,058

For the year ended December 31, 2019, the Company incurred a loss and comprehensive loss in the amount of \$2,005,534 (2018 – \$2,465,460). Expenses during year ended December 31, 2019 were lower than the comparative period and include the payment of severance and retirement amounts totalling \$992,497 to the former management team of the Company (See Transactions with Related Parties below). Depreciation and interest expense on lease liability relate mainly to the amortization of the right of use asset and accretion of the lease liability for an office lease of the Company under the new accounting policy adoption for Leases as of January 1, 2019 (see New Accounting Standards below). The lease liability was reduced by \$32,036 during the year ended December 31, 2019



due to a reduction in future monthly lease payments and resulted in reduced interest expense related to accretion of the lease liability.

During the year ended December 31, 2019, the Company granted 4,850,000 stock options to directors, officers, consultants and employees of the Company, of which 4,800,000 have vested and the remaining 50,000 will vest during fiscal 2020. The fair value of the stock options granted as determined by the Black-Scholes pricing model was \$332,743 or \$0.07 per option. Share based payments recognized during the year ended December 31, 2019 of \$330,348 (2018 – \$309,664). The total fair value of unvested options that will be recognized in profit or loss in future periods amounts to \$2,395 at December 31, 2019 (December 31, 2018 – \$nil). 495,000 stock-options expired during the year ended December 31, 2019 resulting in a reversal of \$102,291 from reserves to deficit.

During the year ended December 31, 2019, the Company incurred operating lease costs of \$53,863 for an office lease included in Administration in the statement of loss and comprehensive loss and not included in lease liabilities.

Pursuant to qualifying flow-through expenditures incurred during the year ended December 31, 2019, the flow-through premium liability was reduced by \$483,972 (2018 – \$164,937) and recorded in income as Recognition of the flow-through premium liability.

SUMMARY OF QUARTERLY RESULTS

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

	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
in thousands, except per share amounts	2019	2019	2019	2019	2018	2018	2018	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss:								
(i) in total	(182)	(204)	(516)	(1,104)	(597)	(527)	(941)	(400)
(ii) per share ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Cash	1,827	3,444	5,444	955	2,359	162	56	361
Exploration and evaluation assets	11,926	10,728	8,871	8,140	7,741	7,300	7,078	6,676
Debt	nil	nil	nil	nil	nil	nil	nil	nil
Deficit	(9,519)	(9,347)	(9,144)	(8,721)	(7,616)	(7,028)	(6,501)	(5,436)

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

For the three months ended December 31, 2019, the Company incurred a loss and comprehensive loss in the amount of \$181,455 (2018 – \$597,239). Maritime's loss in each period primarily reflects the level general and administrative expenses. Cash balances fluctuated as a result of the various financings, combined with expenditures in the periods

The Company's operations are not driven by seasonal trends, but rather by reaching project milestones such as completing various geological, technical, environmental and socio-economic objectives as well as closing the financings needed to fund the Company's activities. The operating results of junior exploration companies typically demonstrate wide variations from period to period. These variances arise from fluctuations in such costs as share-based compensation, level of exploration activity and unanticipated events such as hostile takeover bids.

TRANSACTIONS WITH RELATED PARTIES

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.



Compensation paid or payable to key management personnel for services rendered were as follows for the years ended December 31:

	2019	2018
	\$	\$
Salaries	502,413	-
Consulting	28,000	373,000
Contract wages	26,000	78,000
Directors' fees	70,000	18,000
Geological consulting	64,467	292,404
Share based payments	230,233	303,210
Severance and retirement payments	992,497	-
	1,913,610	1,064,624

In accordance with *IAS 24, Related Party Disclosures*, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive). The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends.

At December 31, 2019, the Company included in accounts payable and accrued liabilities \$17,500 of directors' fees payable to the members of board of directors of the Company.

At December 31, 2018, included in accounts payable and accrued liabilities is \$5,411, owing to a director, CEO and Director and the COO of the Company, at that time.

During the year ended December 31, 2019, the Company made management changes resulting in the Company paying severances totalling \$884,497 to the former Chief Executive Officer (\$391,496), Chief Financial Officer (\$117,000), Chief Operating Officer (\$328,001) and Corporate Secretary (\$48,000) of the Company.

During the year ended December 31, 2019, the Company paid Mr. Bernard Kahlert, P.Geo., who served as Vice President of Exploration for the Company, a sum of \$108,000 upon his retirement.

Related-party transactions

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related by virtue of having directors, as well as the Chief Financial Officer and Corporate Secretary in common. Effective July 1, 2014, the Company entered into arrangement with an administration and exploration services contractor ("AESC") in which a director is a shareholder, pursuant to which it receives office, administrative and exploration services. The AESC ceased to be a related party of the Company effective February 1, 2019.

For the years ended December 31, the Company was charged the following:

	2019	2018
	\$	\$
Rent	53,863	-
Office administration	4,174	-
Rent - AESC	-	99,438
Office administration - AESC	-	19,489
	58,037	118,927



LIQUIDITY AND CAPITAL RESOURCES

The Company has no operations that generate cash flow at this time. The Company's future financial success will depend on its success in re-starting the past producing Hammerdown gold mine and, also on the expansion of, or discovery of, one or more economic mineral deposits or business opportunities. The process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management.

Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company has financed its activities primarily by the issuance of equity securities. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

On April 27, 2020, the Company announced that it has commenced a non-brokered private placement to raise aggregate gross proceeds of up to \$3,500,000 through the issuance of a combination of common shares at a price of \$0.06 per share and flow-through common shares at a price of \$0.065 per share. The financing is anticipated to close on or about May 14, 2020 and is subject to TSX-V approval. The net proceeds will be used to continue exploration of the Hammerdown gold project, as well as for working capital and general corporate purposes.

Working Capital

The Company had \$1,645,470 in working capital as at December 31, 2019 (2018 – \$2,324,737) (see "Non-IFRS Measures"). As at December 31, 2019, the Company has no debt, does not have any unused lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements. The Company has no current plans to use debt financing and does not use hedges or other financial derivatives.

The Company manages its liquidity risk (i.e., the risk that it will not be able to meet its obligations as they become due) by forecasting cash flows from operations together with its investing and financing activities. Expenditures are adjusted to ensure liabilities can be funded as they become due. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

Operating Activities

Cash used in operating activities was \$2,279,006 for the year ended December 31, 2019, (2018 – \$2,261,437).

Financing Activities

Financing activities resulted in cash inflows of \$5,560,016 from the issuance of shares partially offset by repayment of lease liabilities during the year ended December 31, 2019, compared to cash inflows of \$5,421,926 in the same period of 2018, from the issuance of shares partially offset by the repayment of the loan.

Investing Activities

Investing activities, relating predominantly to exploration and evaluation expenditures on the Company's exploration properties, resulted in cash outflows of \$3,812,919 during the year ended December 31, 2019 (2018 – \$1,188,540).

CONTINGENCIES

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the



financial position or future results of the Company.

OFF BALANCE SHEET ARRANGEMENTS

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

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments. The fair value of cash is measured based on level 1 of the fair value hierarchy.

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

Credit risk

Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company's receivables consist primarily of tax receivables due from federal and provincial government agencies. The Company has no customers or trade receivables as at December 31, 2019. The Company does not have a significant concentration of credit risk with any single counter-party. The Company's cash is invested in interest bearing accounts at major Canadian chartered banks. Because of these circumstances, the Company does not believe it has a material exposure to credit risk. Receivables are due from a government agency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The risk that the Company will realize a loss in cash is limited because the Company's deposits are redeemable on demand.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at December 31, 2019, the Company had cash totalling \$1,827,157 (December 31, 2018 – \$2,359,066) to settle accounts payable and accrued liabilities of \$453,070 (December 31, 2018 – \$121,441). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at December 31, 2019 and 2018, the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors



commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

NEW ACCOUNTING STANDARDS AND POLICIES

Leases

The Company has adopted the new *IFRS 16 – Leases* ("IFRS 16") accounting standard, effective January 1, 2019. The adoption of IFRS 16 has resulted in the changes in accounting policies described in Note 3 of the audited financial statements for the year ended December 31, 2019.

IFRS 16 was issued by the IASB on January 13, 2016, and has replaced IAS 17, Leases. IFRS 16 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 was adopted using the modified retrospective transition method as at January 1, 2019 without restatement of comparatives. The impact of the transition to IFRS 16 is disclosed in Note 3 of the audited financial statements.

Property and equipment

During the year ended December 31, 2019, the Company purchased two vehicles for use at its exploration properties and required the adoption of an accounting policy relating to property and equipment also described in Note 3 of the audited financial statements for the year ended December 31, 2019.

NON-IFRS MEASURES

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

As at	December 31, 2019	December 31, 2018
	\$	\$
Current assets		
Cash	1,827,157	2,359,066
Receivables	161,546	40,953
Prepaid expenses	120,199	46,159
	2,108,902	2,446,178
Current liabilities		
Accounts payable and accrued liabilities	(453,070)	(121,441)
Lease liability	(10,362)	-
Working capital	1,645,470	2,324,737

**DISCLOSURE OF SECURITIES OUTSTANDING**

As at April 28, 2020, the following common shares, common share purchase options, finders' warrants and common share purchase warrants were outstanding.

	Expiry date	Exercise price per share	Number of shares and number of shares on exercise
Common shares			190,325,469
Common share purchase options	13-Nov-2020	\$ 0.15	1,685,000
Common share purchase options	29-Jul-2021	\$ 0.25	2,300,000
Common share purchase options	26-Apr-2022	\$ 0.15	200,000
Common share purchase options	04-Dec-2022	\$ 0.10	500,000
Common share purchase options	15-Dec-2022	\$ 0.10	2,500,000
Common share purchase options	06-Dec-2023	\$ 0.11	4,805,000
Common share purchase options	18-Jun-2024	\$ 0.10	4,850,000
Common share purchase options			16,840,000
Common share purchase warrants	07-Nov-2020	\$ 0.15	15,431,450
Common share purchase warrants	12-24-Apr-2021	\$ 0.15	28,448,333
Common share purchase warrants⁽¹⁾			43,879,783
Finders' warrants	07-Nov-2020	\$ 0.15	1,076,395
Finders' warrants	07-Nov-2020	\$ 0.11	2,152,791
Finders' warrants	12-24-Apr-2021	\$ 0.15	3,863,294
Finders' warrants⁽²⁾			7,092,480

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

⁽²⁾ Each non-transferable warrant entitles the holder to acquire one common share of the Company.

RISK FACTORS AND UNCERTAINTIES

The Company is subject to risks and uncertainties similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, continuing losses, dependence on key individuals, and the ability to secure adequate financing to meet minimum capital required to successfully complete its exploration programs and continue as a going concern. While the Company has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future. The operations of the Company are speculative due to the high-risk nature of its business. These risk factors and uncertainties could materially affect the Company's future operating results and could cause actual events to differ materially from those described herein and in forward-looking statements and forward-looking information relating to the Company.

Exploration

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer-term



time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity Price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in Canada. These minerals have recently been the subject of significant price fluctuations, and as such, there can be no assurance that that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

Financing

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies, like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key Personnel

The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition

Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Realization of Assets

Exploration and evaluation assets comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The



amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities could experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses, Accumulated Deficit and Lack of Revenue from Operations

The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Legal Proceedings

As at the date of the Report, there were no legal proceedings against or by the Company.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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



CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of *National Instrument 51-102, Continuous Disclosure Obligations* of the Canadian Securities Administrators. This includes statements concerning the potential to increase mineral resource and mineral reserve estimates and the Company's Preliminary Economic Assessment to restart the Hammerdown Mine, acquire new mineral property interests or business opportunities, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All forward-looking statements and forward-looking information are based on reasonable assumptions that have been made by the Company in good faith as at the date of such information. Such assumptions include, without limitation, the price of and anticipated costs of recovery of, base metal concentrates, gold and silver, the presence of and continuity of such minerals at modeled grades and values, the capacities of various machinery and equipment, the use of ore sorting technology will produce positive results, the availability of personnel, machinery and equipment at estimated prices, mineral recovery rates, and others. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, uncertainty as to whether the current financing will be completed; the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire, maintain and advance exploration properties or business opportunities; global financial conditions, including market reaction to the coronavirus outbreak; competition within the industry to acquire properties of merit or new business opportunities, and competition from other companies possessing greater technical and financial resources; difficulties in advancing towards a development decision at the Hammerdown Mine and executing exploration programs at its Newfoundland and Labrador properties on the Company's proposed schedules and within its cost estimates, whether due to weather conditions, availability or interruption of power supply, mechanical equipment performance problems, natural disasters or pandemics in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions or maintaining title or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, uncertainty as to whether mineral resources will ever be converted into mineral reserves once economic considerations are applied, uncertainty as to whether inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each MD&A of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, Maritime undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.