**NEW DIMENSION RESOURCES LTD.**
**8681 Clay Street**
**Mission BC**
**CANADA**

# MANAGEMENT DISCUSSION AND ANALYSIS

**For the Three Months Ended August 31, 2020**

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**Form 51-102F1**
**Management Discussion and Analysis**
**For**
**New Dimension Resources Ltd.**
**(“NDR”, “New Dimension” or the “Company”)**

The following management’s discussion and analysis (“MD&A”) of the Company has been prepared as of October 27, 2020 and is intended to supplement and complement the Company’s unaudited condensed interim consolidated financial statements for the three months ended August 31, 2020 and August 31, 2019 (the “Interim Financial Statements”), and should be read in conjunction with the annual financial statements for the year ended May 31, 2020 (the “Annual Financial Statements”), together with the notes thereto. Financial statement information presented herein was prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”).

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

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

## NATURE OF BUSINESS

New Dimension Resources Ltd. is incorporated under the laws of the Province of British Columbia, Canada with a registered address and records office located at 8681 Clay Street, Mission BC V4S 1E7.

The Company’s exploration activities are currently focused on mineral properties situated in Scandinavia (Norway and Sweden), Canada and Argentina.

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

## HIGHLIGHTS AND DEVELOPMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2020 AND TO THE DATE OF THIS REPORT

### Projects

- During September and October, the Company completed its on-site due diligence and initiated field activities at its recently-acquired high-grade base metals projects in Norway (Løkken and Kjøli) and the Southern Gold Line Project (Sweden). Field crews are currently active on all projects, with ground magnetic surveys and geochemical surveys being undertaken on the Norwegian properties and regional BLEG sampling / source of gold mineralized boulder train exploration underway in Sweden. The Company’s immediate focus is to rapidly advance priority targets to drilling.
- On October 13, 2020 the company announced that it had concluded the sale agreement with Austral Gold Limited (“Austral”)(ASX: AGD; TSX.V: AGLD) for the purchase of an 80% interest in the Company’s Sierra Blanca gold-silver project in Santa Cruz Province, Argentina for US$800,000 in cash and work commitments, with a 'follow-on' option to purchase the remaining 20% interest for an additional US$2,300,000 in cash and work commitments ( previously announced April 1, 2020). The Definitive Agreement was signed on September 24, 2020, subject to certain requirements, having been delayed by the ongoing shutdown of both provincial government entities and legal and notarial services - all required for the due diligence process - as a result of the COVID-19 pandemic.
- On September 21, 2020, the Company announced that it had executed an earn-in agreement with Ethos Gold Corp. (TSX.V: ECC; “Ethos”) in which Ethos may earn-in to a 70% interest in the Savant Lake gold project in return for staged cash and share payments to New Dimension and $2M of work commitments. TSX.V Exchange approval for the Ethos earn-in agreement was received on October 26, 2020 and the two million shares due on exchange approval have been issued.

- On August 11, 2020, the Company announced that it had entered into an option and purchase agreement with EMX Royalty Corporation (“EMX”) (NYSE American: EMX; TSX.V: EMX) for the acquisition of 100% interests in the Southern Gold Line Project in central Sweden, and the Løkken and Kjøli (copper-zinc-silver-gold) projects in central Norway. The Southern Gold Line project consists of a group of licences adjacent to Dragon Mining Limited's Fäboliden gold development project and Svartliden gold mine, whilst the Løkken and Kjøli licences cover both past-producing, high-grade (copper-zinc-silver-gold) mines as well as drill-ready regional exploration targets.
- At the Domain Joint Venture, Manitoba (NDR 29.6% Yamana Gold Inc. “Yamana” 70.4%) project operator Yamana has entered into an Exploration Agreement with Bunibonibee Cree Nation to develop a cooperative and mutually beneficial relationship relating to mineral exploration within the Traditional Territory of Bunibonibee Cree Nation. Yamana is in the planning stages of a work program for the property, and pending conclusion of community consultation and permitting, exploration work is anticipated to begin in late 2020 or early 2021.

**Corporate Developments**

- On September 8, 2020, the Company announced the completion of a non-brokered private placement, for proceeds of $3,624,992, with a lead order from Palisades Goldcorp Ltd. The Company successfully completed the sale of 60,416,531 units. The units are comprised of one common share and one share purchase warrant entitling the holder to acquire one additional common share at $0.12 until expiry September 3, 2023. Proceeds will be used for exploration activities and general working capital. The Company’s immediate priorities will be to advance its recently acquired Scandinavian projects. The Company paid an aggregate of $128,503 in broker fees and issued 2,081,730 brokers warrants under the same terms and conditions of the unit warrants. All securities issued under the placement are subject to a four month hold period trade restriction expiring January 4, 2021.
- On September 16 and 18, 2020 the Company announced that in an effort to conserve its capital it had agreed to settle $385,963 of outstanding indebtedness to current and former insiders of the Company with the issuance of 6,432,713 common shares of the Company at a deemed price of $0.06 per share with regulatory approval obtained effective September 15th, 2020.
- On October 19, 2020, the Company issued 3,400,000 shares to SSL as payment for the balance of shares owing in relation the first annual payment due under the contractual obligation payable
- On October 19, 2020 the Company issued 500,000 shares to IAMGOLD as payment which provides Sierra Blanca S.A for the option to acquire one-half (0.75%) of its 1.5% NSR for $750,000 at any time prior to the commencement of commercial production.

## OUTLOOK

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

Exploration activities for the remainder of fiscal 2020 will focus on advancing the recently-acquired Scandinavian assets towards drilling. Joint Venture partners will manage work programs at both the Savant Lake and Domain projects in Canada.

The volatility of stock markets and precious and base metals have eroded investor confidence to the extent that both advanced and junior companies have had a difficult time obtaining equity financing on reasonable terms. The Company is currently evaluating all financing options available to the Company at both the corporate and project level. The Company is seeking additional equity funding or alternative financing options to fund its ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding or securing alternative financing options.

## EXPLORATION ASSETS AND ACTIVITIES

## SCANDINAVIAN PROJECTS

On August 11, 2020, the Company announced that it had entered into an option and purchase agreement with EMX for the acquisition of 100% interests in the Southern Gold Line Project in central Sweden, and the Løkken and Kjøli (copper-zinc-silver-gold) projects in central Norway. The Southern Gold Line project consists of a large group of claims located immediately adjacent to Dragon Mining Limited's Fäboliden gold project and Svartliden gold mine, with the primary targets being high-grade orogenic gold deposits hosted within Paleoproterozoic-age volcano-sedimentary rock sequences. Both the Løkken and Kjøli claim blocks cover past-producing, high-grade (copper-zinc-silver-gold) massive sulfide ("VMS") deposits - the world-class Løkken mine and the Killingdal and Kjøli mines at Kjøli - as well as drill-ready regional exploration targets. Only limited modern exploration has been undertaken on the Løkken and Kjøli districts since the closure of the respective operating mines in the mid- to late-1980's in response to low metal prices.

Acquisition terms for 100% Interests in the Southern Gold Line, Løkken and Kjøli projects are as follows:

- New Dimension to pay EMX USD 25,000 in cash upon signing (**completed**).
- Upon completion of all on-site Due Diligence (**completed**), an initial 12-month option period will begin. Upon receipt of final regulatory approval for the transaction (**pending**), the Company will issue EMX 3 million common shares of NDR
- During the initial option period (September 1, 2020 to September 1, 2021), New Dimension will be required to invest a minimum of USD 100,000 in exploration in each of the three projects.
- Until NDR has completed financings to the value of CAD 4,500,000, EMX will retain a free carried 9.9% shareholding in NDR. Afterwards, EMX retains the option to participate in future financings at its own discretion.
- During the second year from signing (September 1, 2021 to September 1, 2022), NDR will be required to invest a minimum of USD 500,000 on all three projects. During subsequent years, NDR will be required to drill a minimum of 1,000m on each project.
- From the second anniversary of signing (September 1, 2022), NDR will be required to make advanced royalty payments to EMX of USD 25,000 per project, increasing USD 5,000/year up until reaching a maximum of USD 75,000/year per project.
- NDR to make additional payments of USD 500,000 to EMX upon:
    - The filing of a Preliminary Economic Assessment technical report
    - The filing of a National Instrument 43-101 ("NI-43101) complaint feasibility study
- EMX to retain a 2.5% NSR in the projects, with 0.5% being purchasable for USD 1M within 6 years
- NDR to reimburse EMX USD 68,000 for pre-payment of future land holding costs in Sweden

The Company successfully completed the on-site Due Diligence for the three projects during late-August/early-September and on September 2 effected the cash payment to EMX of USD 25,000. The issuance of 3 million NDR shares to EMX will occur upon receipt of all regulatory approvals for the Scandinavia transaction.

The Company's immediate priority is to complete drill target generation activities on all three projects and to advance the highest priority targets to drilling. In Norway, field activities commenced at Kjøli with ground magnetic and soil sampling surveys having now been completed over 4.5km of the approximately 15km of prospective stratigraphy which hosts historic copper mines (including Killingdal and Kjøli) and numerous mineral occurrences. At Løkken, field activities are now underway and are focused on i) evaluating potential remaining mineral resources in, and adjacent to, the old mining operations and ii) the prioritization of drill hole sites within the 5 main regional target areas, all of which are located within a 10km radius of the former Løkken mineral processing site. In parallel, field activities at the large (500 square kilometres total) Southern Gold Line project in Sweden are underway and are focused on the advancement of known orogenic gold targets as well as first-pass regional evaluation (initially through Bulk Leach Extractable Gold or BLEG sampling) over the remainder of the mineral claims.

Løkken (Copper-Zinc-Silver-Gold) Project, Norway (100% NDR)

The Løkken (copper-zinc-silver-gold) project is located approximately 50km SW of the regional centre of Trondheim in central Norway. The Løkken claim block covers a total area of 210 square kilometres (21,000 Ha) and includes the former Løkken underground mine (which closed in 1987 in response to low metals prices), the associated historical mineral processing facilities, plus multiple satellite bodies of mineralization with varying degrees of development. Løkken is considered to be the largest ophiolite-hosted Cypress-type VMS deposit to be developed in the world and produced around 24Mt @ 2.3% Cu and 1.8% Zn (plus silver and gold credits)[1]. Historical records also suggest incomplete extraction of all high-grade copper-zinc blocks in the underground mining operation.

Both Løkken and Kjøli (see below) are part of a broader geologic terrain that was originally linked geologically to the VMS districts in Newfoundland-New Brunswick-Maine and the Appalachian Mountains of North America. This terrain constitutes one of the most prolific VMS belts in the world.

Field work is currently in progress at Løkken and includes the undertaking of ground magnetic and soil geochemical surveys over key regional target areas, commencing with the Dragset target. In parallel, efforts to obtain and reprocess existing regional airborne electromagnetic datasets (key for modelling buried massive sulfide mineralization), together with the digitizing of former underground mine plans for Løkken, are in progress. The Company expects to be able to continue undertaking field activities at Løkken until the arrival of winter snows (likely late November), with the permitting of drill targets expected to be undertaken immediately thereafter.

Kjøli (Copper-Zinc-Silver-Gold) Project, Norway (100% NDR)

The Kjøli (copper-zinc-silver-gold) project represents a district-scale (120 square kilometres, or 12,000 Ha) land position on the northern extension of the greater Røros district, which has seen mining for over 300 years beginning in the mid-1600's. The Kjøli project covers approximately 15 km of prospective stratigraphy extending north from the past-producing Killingdal mine, which operated from 1674 to 1986 and produced over 2.9 Mt @ 1.7% Cu + 5.5% Zn[2] from Europe's deepest (1.4km) underground mining operation, and also covering the former Kjøli mine and numerous mineral occurrences. Recent field mapping and airborne geophysical surveys have identified numerous exploration targets on the Kjøli project that have not yet been followed up. In addition, a regional-scale thrust fault has superimposed post-mineralization sandstones over the mineralized volcano-sedimentary sequences in the western portion of the property, and the potential for the discovery of buried massive sulfide deposits remains high.

Field activities were initiated at Kjøli during September with ground magnetic and soil sampling surveys having now been completed over approximately 4.5km of the 15km of the prospective stratigraphy which hosts the historic copper mines and key mineral occurrences. Some 200 line kilometres of ground magnetic data have been acquired to date and 400 partial leach samples taken. Data from the ground magnetic survey is currently in the process of being processed and interpreted, with results from samples taken during the geochemical survey pending.

[1] Historic production values quoted for Løkken are from Grenne T, Ihlen PM, Vokes FM (1999) Scandinavian Caledonide metallogeny in a plate-tectonic perspective. Mineral Deposita 34:422–471, Neither NDR or EMX have performed sufficient work to verify the published data reported above, but both Companies believe this information to be considered reliable and relevant.

[2] Historic production figures are from Birkeland, A. (1986) Mineralogisk og geokjemisk undersokelseav Killingdal gruver, Sor-Trondelag. M. Scient. Thesis, University of Oslo in Geological Survey of Finland, Special Paper 53 pg. 86.

Southern Gold Line, Sweden (100% NDR)

The Southern Gold Line project is located in central Sweden and consists of a large tract of mineral claims (total area 500 square kilometres or 50,000 Ha) located in the immediate vicinity of Dragon Mining Ltd's Fäboliden development project and Svartliden gold mine[3]. The Southern Gold Line exploration concessions cover areas with similar geologic and structural settings to the Fäboliden deposit, with further potential for the discovery of high-grade orogenic gold deposits at or near granitoid-greenstone contacts. Host rocks to the gold mineralization are Paleoproterozoic in age. Reconnaissance sampling and mapping programs are ongoing, with initial BLEG samples collected across portions of the licenses showing multiple areas with enrichment of gold in stream sediments. Planning for bottom of till / top of bedrock drilling in the highly prospective southern Rötjärnen claim, where gold mineralized boulder trains have been identified on surface, is underway with drilling currently expected to be undertaken in late 2020.

[3] References made to nearby mines and analogous deposits provide context for the Southern Gold Line project but are not necessarily indicative that the project hosts similar tonnages or grades of gold mineralization

## CANADA

Savant Lake Gold Project, Ontario (NDR 100%; Ethos Gold Corp. Earn-In to 70%)

During the year, the Company successfully achieved two milestones on its Savant Lake gold project in NW Ontario: i) on April 1, 2020, the Company completed its earn-in to 100% interest in the Savant Lake gold project through the payment of $30,000 to the underlying vendors, and ii) on September 21, 2020, the Company announced that it had executed an earn-in agreement with Ethos in which Ethos may earn-in to a 70% interest in the Savant Lake gold project in return for staged cash and share payments to New Dimension and $2M of work commitments. TSX.V Exchange approval for the Ethos earn-in was received on October 26, 2020.

The terms of the Ethos earn-in agreement announced on September 21, 2020 are as follows:

| | **Cash to NDR** | **Ethos Shares** | **Work Commitment** |
|---|---|---|---|
| **On-signing:** | $50,000 | 2,000,000 | |
| **September 20, 2021** | $50,000 | 2,000,000 | $500,000 |
| **September 20, 2022** | $50,000 | 2,000,000 | $1,500,000 |
| **September 20, 2023** | $50,000 | 2,000,000 | $500,000 |
| **Total** | **$200,000** | **8,000,000** | **$2,000,000** |

In addition, Ethos will make a further payment to New Dimension of $50,000 cash and 2,000,000 Ethos shares in the event of a National Instrument 43-101 compliant mineral resource of >1 million ounces gold being defined on the property. Upon Ethos completing all of its earn-in commitments, a formal Joint Venture Company (with initial interests of NDR 30% and Ethos 70%) will be established for Savant Lake.

Ethos plans to conduct a high-resolution helicopter-based aeromagnetic survey over Savant Lake in Q4 2020, which will not only significantly improve the quality of available aeromagnetic data over the central portion of the property, but also extend aeromagnetic coverage to cover the entire claim package. Results of the survey will be integrated with existing geological geochemical and geophysical data to select follow-up targets for field vetting in Spring 2021, and subsequent drill testing later in 2021.

Ethos also plans to conduct a basal till sampling program in Spring 2021 over a select 10 km x 2 km area encompassing a highly prospective shear zone along the northern margin of the iron formation basin, as well as over the southeastern portion of the project area which contains numerous high-grade gold prospects, a number of which have never been drill tested. Gold grains will be recovered from the till samples and characterized to estimate intensity of prospective mineralization and distance and direction to bedrock source. Additionally, other indicator minerals recovered from the till samples and fine-fraction geochemical analysis for pathfinder elements will assist in defining the broader alteration zones.

The Savant Lake gold project is located within the Archean-age Savant Lake-Sturgeon Lake greenstone belt, approximately 240 km NW of Thunder Bay and 240 km S of Newmont's operating Musselwhite mine[4] (Proven and Probable Reserves at December 31, 2019: 9.9 MT @ 6.52 g/t Au for 2.09Moz Au[5]). The Company's mineral claims in the Savant Lake area total 229 square kilometres and cover meta-volcanic and meta-sedimentary rock sequences which are prospective for both iron formation ("Musselwhite-type")- and shear zone-hosted gold deposits, in addition to base metal-rich (copper-zinc-gold) VMS deposits. The Company completed an initial 8 hole / 1,626 m diamond drill program at Savant Lake in 2017 on select geophysical targets in the northern part of the property, however, numerous high-grade gold targets in the central and southern portion of the property remain untested.

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

[4] Mineralization hosted on adjacent and nearby properties is not necessarily indicative of mineralization that may be hosted on the Company's Savant Lake project.
[5] Source: Newmont Corporation Reserve and Resource Statement: February 13, 2020.

Domain Gold Joint Venture, Manitoba (Yamana Gold Inc. 70.4% - New Dimension 29.6%)

At the Domain Gold Joint Venture ("JV"), project operator Yamana Gold Inc. ("Yamana") has entered into an Exploration Agreement with Bunibonibee Cree Nation to develop a cooperative and mutually beneficial relationship relating to mineral exploration within the Traditional Territory of Bunibonibee Cree Nation. Yamana is in the planning stages of a work program for the property, and pending conclusion of community consultation and permitting, exploration work is anticipated to begin in late 2020 or early 2021.

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

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

## ARGENTINA

Sierra Blanca Gold-Silver Project, Santa Cruz (NDR 100%; Austral Gold Limited Earn-in to Initial 80% with Further Option to Acquire Remaining 20%)

During the period, the Company announced the completion of its agreement with Austral to purchase the first 80% interest in the New Dimension Argentine subsidiary (Sierra Blanca S.A.; "SBSA") that owns the Sierra Blanca gold-silver project in two tranches through a combination of cash payments and project-level work commitments as follows:

- Tranche 1: Austral will acquire a 51% interest for US$100,000 in cash payments to New Dimension plus the expenditure of US$100,000 in work commitments at the project over the 12-month period following closing.
- Tranche 2: Austral will acquire an additional 29% interest for US$600,000 in work commitments on the project over the second- and third-years following closing (US$200,000 during the second year and US$400,000 during the third year).

Austral plans to fund the cost of the transaction from cash flow generated from operations. After it has acquired its 80% interest in the project, Austral will have the option to acquire the remaining 20% as follows:

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

In parallel, New Dimension also entered into agreements with both Iamgold Corporation (“Iamgold”) and Sandstorm Gold Limited (“SSL”) that provide SBSA with options to acquire one-half of their respective Net Smelter Royalties (“NSR’s”) on the Sierra Blanca gold-silver project:

- The agreement with Iamgold provides SBSA the option to acquire one-half (0.75%) of its 1.5% NSR for $750,000 at any time prior to the commencement of commercial production. In further consideration of this agreement the Company has issued Iamgold 500,000 NDR common shares.
- The agreement with SSL provides SBSA the option to acquire one-half (1%) of its existing 2% NSR for $1,000,000 at any time prior to the commencement of commercial production.

As at August 31, 2020, the Company has recognised a write down provision of $206,627 in relation to its Sierra Blanca project as the Company refocused its exploration strategy to its newly acquired Scandinavian projects.

Sierra Blanca is an advanced, high-grade gold-silver project which is located approximately 40km NW of Anglogold Ashanti’s Cerro Vanguardia gold-silver mine (and immediately adjacent to Austral Gold’s Pinguino silver-gold project) in Santa Cruz Province, southern Argentina. Previous work at Sierra Blanca by Mariana Resources Ltd had mostly been focused on the E-W-trending Chala-Achen and Lucila vein systems, where high-grade silver values had been derived from channel sampling (including 9.4m @ 2,362 g/t Ag at Chala-Achen; see Company News Release dated March 4, 2019). However, more recent exploration activities have been focused on drill target definition in the extensive NW-trending Ana/Ana Splay, Tranquilo, and Laguna “vein fields” (see Company News Release dated December 2, 2019).

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

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

Recent work at the Las Calandrias gold project has been restricted to metallurgical testwork on high-grade gold samples from the Calandria Norte and Morena vein/breccia systems (2019) and an internal desktop study on potential development options for the high-grade Calandria Norte mineral resource (Q1, 2020). On June 18, 2019, the Company reported that 92% gold recoveries were returned from preliminary bottle roll leach tests performed on two composite drill core samples from the Calandria Norte and Morena vein/breccia zones. The leach tests were performed in Parksville, British Columbia by Blue Coast Research ("Blue Coast"), with the main objectives being to i) confirm the high gold recoveries returned from earlier LeachWELL tests performed on Calandria Norte mineralization and ii) provide high-level metallurgical data on the potential compatibility of the high-grade Calandria Norte and Morena gold mineralization with the processing circuits utilized in industry-standard gold leach circuit.

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

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

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

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

Summation errors may occur due to rounding;
Mineral Resources are reported within an optimized constraining shell;
Block matrix is 6m x 6m x 5m (length x width x height);
Grades are estimated by ID3 interpolation;
Density was interpolated by ID2. Blocks not populated by ID2 were assigned the mean density 2.21;
Cut-off grade for MRE varies by oxide zone (0.3 g/t Au oxide; 0.4 g/t Au transition; and 0.8 g/t Au primary zones);
Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
Constraining pit parameters: (in $US)
- Metal Price: $1,400/oz Au; $18.50/oz Ag (based on 3 year rolling average seller's prices)
- Metal Recoveries: Au (94%-oxide; 73% transition; 80% primary), Ag (88%-oxide; 78% transition; 80% primary)
- Mining Cost: $2.50/t
- Processing plus General and Administration: $11-oxide; $11-transition; $25-primary
- Pit Slope: 45°

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

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

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

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

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

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

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

The Company has recorded a write down provision of $3,357,589 in relation to its Las Calandrias project as the Company refocused its exploration activities to its newly acquired Scandinavian projects. The Company continues to assess varying options and strategies to further develop or return value from this project.

Los Cisnes Gold-Silver Project, Santa Cruz (100% NDR)

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

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

An initial 8-trench exploration program completed during 2019 confirmed the presence of high-grade gold-silver mineralization in the Bagual vein, with highlights including:

- High-grade gold-silver assays (37.5 g/t Au + 6 g/t Ag over 1.0 m and 9.7 g/t Au + 8 g/t Ag over 0.6m) were returned from two channel samples in Trench 1, which was cut perpendicular to the main Bagual structural corridor. Trench 1 is located approximately 20 m north-east of the Bagual "discovery" grab sample which assayed 109 g/t Au + 1,031 g/t Ag.
- Gold-silver mineralisation in Trench 1 is associated with strongly-oxidized quartz-sulfide(-Fe-oxide)-bearing stockworks and breccia zones and lies under <1m of post-mineral overburden.

As August 31, 2020 the company has recorded a write down provision of $849,692 in relation to its Los Cisnes project as the Company refocused its exploration activities to its newly acquired Scandinavian projects. The Company continues to assess varying options and strategies to further develop or return value from this project.

All information relating to exploration activities has been reviewed by Eric Roth, Chief Executive Officer and Executive Director of New Dimension Resources and presented in accordance with Canadian regulatory requirements as set out by National Instrument ("NI") 43-101. Mr Roth holds a Ph.D. in Economic Geology from the University of Western Australia, is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and a Fellow of the Society of Economic Geologists (SEG), and a Qualified Person under NI 43-101. Mr Roth has over 25 years experience in international minerals exploration and mining project evaluation.

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

Exploration and Evaluation Expenditures

| | Las Calandrias Santa Cruz, Argentina | Los Cisnes, Santa Cruz, Argentina | Sierra Blanca, Santa Cruz, Argentina | Savant Lake, Ontario, Canada | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Balance May 31, 2019** | **3,065,267** | **880,419** | **358,840** | **1,287,368** | **5,591,894** |
| Camp, travel, administration and other costs | 23,033 | 3,581 | 2,134 | 1,025 | **29,773** |
| Geologists and data collection | 56,374 | - | 552 | - | **56,926** |
| IAS 29 adjustment- historic | 113,596 | 50,437 | 3,260 | - | **167,293** |
| Foreign exchange movement | (346,679) | (153,925) | (9,948) | - | **(510,552)** |
| **Balance August 31, 2019** | **2,911,591** | **780,512** | **354,838** | **1,288,393** | **5,335,334** |
| Acquisition and tenure | - | - | - | 30,000 | **30,000** |
| Camp, travel, administration and other costs | 79,674 | 11,639 | 10,547 | 16,531 | **118,391** |
| Geologists and data collection | 273,036 | 4,687 | 5,609 | - | **283,332** |
| Drilling and assay costs | - | - | 421 | - | **421** |
| Provision against exploration and evaluation assets | (3,443,371) | (876,059) | (209,457) | - | **(4,528,887)** |
| IAS 29 adjustment- hisroric | 421,412 | 186,680 | 11,489 | - | **619,581** |
| Foreign exchange movement | (242,342) | (107,459) | (6,780) | - | **(356,581)** |
| **Balance May 31, 2020** | **-** | **-** | **166,667** | **1,334,924** | **1,501,591** |
| Acquisition and tenure | **-** | **-** | **-** | **-** | **-** |
| Camp, travel, administration and other costs | **4,971** | **2,563** | **-** | **1,093** | **8,627** |
| Geologists and data collection | **4,282** | **-** | **-** | **-** | **4,282** |
| Provision against exploration and evaluation assets | **(9,253)** | **(2,563)** | **-** | **-** | **(11,816)** |
| IAS 29 adjustment | **470,282** | **196,873** | **15,515** | **-** | **682,670** |
| Foreign exchange movement | **(470,282)** | **(196,873)** | **(15,515)** | **-** | **(682,670)** |
| **Balance August 31, 2020** | **-** | **-** | **166,667** | **1,336,017** | **1,502,684** |

As the functional currency of the Argentinean entities is the Argentinean Peso (“ARS”) and the reporting currency of NDR is Canadian Dollars, the value of the exploration and provision costs in Argentina are subject to change each reporting period due to exchange rate fluctuations. As a result of the application of IAS 29, exploration and evaluation assets were restated for the impact in the movement in inflation during the current period. As a result, an adjustment of $222 was recognised in relation to additions in the three months ending August 31, 2020, and $682,670 was recognised in relation to historic balances. These adjustments (total $682,892) have been included as a net monetary gain in Other Comprehensive Income/(Loss) in the Consolidated Statement of Profit/(Loss) and Comprehensive Income/(Loss) as at August 31, 2020.

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

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

### OVERALL PERFORMANCE

Argentina is officially considered to be a hyperinflationary economy due to the inflation rate exceeding 100% consistently for more than three years and several other qualitative factors. As a result, IAS 29 is applied, which requires financial statements based on historical cost be restated to correct the loss of purchasing power of the Argentinean peso. Entities with the Argentinean peso as their functional currency apply the requisite Wholesale Price

Index as published by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences (“FACPCE”) from the beginning of the period in which the economy became hyperinflationary. As a result, financial results are presented as if the Argentinean economy had always been hyperinflationary. Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current as at August 31, 2020. Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit as at August 31, 2020) are restated by applying the relevant index. Once the financial results of the Argentinean subsidiaries were adjusted for inflation the restated financial statements were translated at the closing rates into the presentation currency of the Company, being C$.

The net monetary gain of $686,505 resulting from a net monetary gain of $682,892 in relation to the restatement of non-monetary assets and liabilities, and a net monetary gain of $3,613 relating to the restatement of income and expenditure items for the three months ending August 31, 2020 has been recorded in Other Comprehensive Income in the Consolidated Statement of Profit/(Loss) and Comprehensive Income/(Loss) for the three months ending August 31, 2020.

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

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

| Month | Wholesale Price Index |
|---|---|
| Jun-2018 | 144.81 |
| Jul-2018 | 149.30 |
| Aug-2018 | 155.10 |
| Sep-2018 | 165.24 |
| Oct-2018 | 174.15 |
| Nov-2018 | 179.64 |
| Dec-2018 | 184.26 |
| Jan-2019 | 189.61 |
| Feb-2019 | 196.75 |
| Mar-2019 | 205.96 |
| Apr-2019 | 213.05 |
| May-2019 | 219.57 |
| Jun-2019 | 225.54 |
| Jul-2019 | 230.49 |
| Aug-2019 | 239.61 |

| Month | Wholesale Price Index |
|---|---|
| Sep-2019 | 253.71 |
| Oct-2019 | 262.07 |
| Nov-2019 | 273.22 |
| Dec-2019 | 283.44 |
| Jan-2020 | 289.83 |
| Feb-2020 | 295.67 |
| Mar-2020 | 305.55 |
| Apr-2020 | 310.12 |
| May-2020 | 314.91 |
| Jun-2020 | 321.97 |
| Jul-2020 | 328.20 |
| Aug-2020 | 337.06 |

During the three months ended August 31, 2020 the Company incurred a gain of $127,489 (August 31, 2019 (loss $246,254) due to the gain recorded as it revalued its contractual obligation payable as a result of amended terms being agreed SSL during the period. This gain was offset by costs incurred by the Company as it maintained its public listing and its Argentinean and Canadian projects. The Company will seek additional equity funding or alternative financing options to fund current and ongoing exploration activities and general and administrative costs.

## FINANCIAL POSITION

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

| | **August 31, 2020** | **May 31, 2020** | May 31, 2019 |
|---|---|---|---|
| | | **$** | $ |
| Current assets | 362,035 | 86,576 | 112,722 |
| Non-current assets | 1,502,684 | 1,501,591 | 5,591,894 |
| Current liabilities | (1,936,900) | (2,701,409) | (1,246,606) |
| Non-current liabilities | (1,070,101) | (797,848) | (1,125,702) |
| Shareholders' equity (deficiency) | **(1,142,282)** | **(1,911,090)** | **3,332,308** |

Included in current assets at August 31 2020 is cash of $317,302, receivables of $36,814 and prepaid expenses of $7,919. The increase in current assets in the current period is mainly due to private placement funds received in advance of the closing of the placement in September 2020, offset by cash used to maintain the Company's exploration projects and payment of corporate costs incurred to support the Company's operations.

The slight increase in non-current assets reflects expenditure recorded at the Company's Savant Lake project during the period and exploration expenditure in Argentina offset by movements in the provision recorded against the Company's Argentinean portfolio. Argentinean exploration expenditures incurred during the period, as well as historic exploration expenditure balances, have been adjusted for inflation as required by IAS 29 and offset by the devaluation of the Argentinean peso from the year end.

Current liabilities of the Company include accruals and accounts payable, loans and provision totalling $1,936,900. These balances can fluctuate from period to period depending on the level of exploration activity and corporate activities undertaken by the Company. At August 31, 2020 these liability balances mainly comprise of directors' fees payable of $121,659, fees payable to the CEO of $233,333, consulting fees payable of $25,556, fees payable and accrued for accounting and audit purposes of approximately $188,688; balances owed to suppliers and employees in relation to ongoing activities in Argentina of $312,719, short term loan to SSL of $447,320 (including accrued interest of $32,320) and unsecured loans to directors of $69,221.

On September 18, 2020, the Company settled the total balance of its loan payable to SSL as at August 25, 2020 of $447,320 (including principal and interest) through the debt conversion of $223,660 completed on September 18, 2020 and cash repayment of $223,660. The Company made the cash payment and share issuance subsequent to August 31, 2020 to settle the debt in full. The unsecured loan balances of $69,221 from directors were settled in full as part of the debt conversion completed on September 16, 2020.

The Company has also recognised a contractual obligation payable of $1,404,971 in relation to annual payments to be made to SSL related to the Argentinean portfolio of projects acquired in May 2018. On June 4, 2020, the Company and SSL renegotiated the annual payments due under the agreement with SSL. Annual payments will now become due by applying the following criteria with effect from June 30, 2019:

- No annual payment due if market capitalization of the Company is less than $10 million on the anniversary date of payment.
- Annual payment of $200,000 due if market capitalization is between $10 million and $20 million on the anniversary date of payment; and
- Annual payment of $400,000 due if market capitalization is above $20 million on the anniversary date of payment.

These criteria have been applied to all future annual payment obligations and as a result of the application of these revised criteria the contractual obligation payable was revalued during the period ended August 31, 2020 with a revaluation gain of $318,564 being recorded in the three months ended August 31, 2020.

The contractual obligation requires the Company to make annual payments of up to $400,000 per year (depending on market capitalisation of the Company as detailed above) in either cash or shares until the earlier of:

- December 31, 2032,
- commencement of commercial production,
- expropriation of the properties or
- the Company returns a project in accordance with the terms of the acquisition agreement

During the period ended August 31, 2020 the Company recorded interest expense of $4,183 in relation to the contractual obligation payable.

Annual payments are due on the anniversary date of the acquisition of its interests in the Las Calandrias, Los Cisnes and Sierra Blanca projects, being May 14, 2018. Management has assessed that the contractual obligation period will not extend beyond five years from the effective date of the amended terms of the contractual obligation payable. Management considered the above terms of the agreement and the expected timeline for completion regarding each potential end to the obligation payments in making this judgment. The Company has therefore recognized the net present value of its obligation over five years, using an average discount rate of 0.28%.

As at May 31, 2019 the Company was required to deliver to SSL the balance of the first annual payment in relation to the contractual obligation of $400,000 in shares. As agreed with SSL this payment was to be made in 8,000,000 shares at $0.05. On September 26, 2019, the Company issued 4,600,000 shares as partial payment of the first annual payment, with the balance of these shares being delivered subsequent to the period ending August 31, 2020.

The annual payments described above are payable in Company Shares, however the Company may elect to make a payment in cash. If the payments are made in Company Shares, the number of shares to be issued will be based on a price per Company Share equal to the greater of: (i) the 20-day trailing volume weighted average trading price of the Company Shares on the Exchange as at the due date for the applicable payment; and (ii) the minimum price that is acceptable to the Exchange.

In April 2020, the Company received $40,000 as part of the Bank of Montreal's Canada Emergency Business Account ("CEBA") program introduced as part of the Canadian Government's COVID-19 relief measures. The Company entered into an interest-free loan of $40,000 with the Bank of Montreal, guaranteed by the Government of Canada, to help cover operating costs for businesses which may have been impacted by COVID-19. The Government program payment timelines are as follows:

- The Canada Emergency Business Account will be funded as a revolving line of credit and is interest free until Dec. 31, 2020
- Any outstanding balance will be converted to a term loan on Jan. 1, 2021 and remains interest free until Dec. 31, 2022
- If repaid by Dec. 31, 2022, 25% of balance will be forgiven
- If outstanding on Jan. 1, 2023, 5% interest starts
- The remaining balance is to be paid in full no later than Dec. 31, 2025

The repayment of the loan will be through the Bank of Montreal, not the Canadian Government.

## RESULTS OF OPERATIONS

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

| | **August 31, 2020** | August 31, 2019 |
|---|---|---|
| | **$** | **$** |
| Management and administrative fees | 100,271 | 80,298 |
| Regulatory and transfer agent fees | 25,090 | 6,825 |
| Professional fees | 24,743 | 21,096 |
| Office and general | 13,425 | 19,133 |
| Provision against exploration & evaluation assets | 11,816 | - |
| Loan interest | 9,823 | 1,671 |
| Shareholder information and meetings | 6,448 | 5,233 |
| Contractual obligation interest | 4,183 | 8,036 |
| Write off IVA receivable | 1,681 | - |
| Salaries and benefits | 1,103 | 71,861 |
| Share based payments | - | 33,541 |

### Discussion of operations

*Three months ended August 31, 2020 and August 31, 2019*
During the three months ended August 31, 2020 ("current three-month period"), the Company recorded a net gain of $127,489 compared to a net loss of $246,254 for the three-month period ended August 31, 2019 ("comparative three-month period").

The net gain recorded for the current three-month period is due mainly to the revaluation gain of $318,564 recorded as a result of the revaluation of the contractual obligation payable due to amended terms being agreed with SSL. This gain has been offset by an increase in management and administrative costs of $19,973, an increase of $18,265 in regulatory and transfer agent fees, an increase in the provision recorded again exploration and evaluation expenditure of $11,816 and an increase in loan interest recorded of $8,152. Operating costs have reduced from that of the comparative three-month period in relation to share based payment expense of $33,541 as the cost fluctuates each reporting period as the cost of each issue is recognised over the vesting periods of the options granted, a decrease in salaries and benefits expense of $70,758 as the Company looked to decrease costs and manage working capital; as well as the impact of the devaluation of the Argentinean peso against the Canadian dollar when compared to that of the comparative three-month period.

Significant costs are detailed further below.

During the period, the Company recognised a write down provision of $11,816 against its Las Calandria, Los Cisnes and Sierra Blanca projects to reflect the Company's change in exploration strategy, as during the period ending August 31, 2020 the Company moved its focus from its Argentinean portfolio to its newly acquired Swedish and Norwegian projects. The Company continues to explore varying strategies to further develop and extract value from its Argentinean portfolio.

Management and administrative fees increased by $19,973 in the current three-month period compared to the comparative three-month period mainly due to an increase in consulting fees of $13,750 as the Company moved its salaried employee to a consulting position, increase in non-executive director fees of $13,157 as these fees were suspended in the comparative period, and an increase in audit fees accrued in the current three-month period of $4,599. This increase in management and administrative fees was offset by a decrease in accounting fees incurred in Argentina of $12,053.

Regulatory and transfer agent fees have increased by $18,265 in the current three-month period due predominantly to fees incurred in relation to the private placement completed in September 2020.

Professional fees have increased by $3,647 in relation to increased legal costs in Argentina due to assistance required regarding the Austral purchase of the Sierra Blanca project.

Office and general costs decreased in the current three-month period by $5,708 when compared to the comparative three-month period due mainly to reduced rental costs in Canada and Argentina.

Salaries expenses decreased by $70,758 due to the termination of employees in Canada and Argentina in the twelve-month period ending May 31, 2020.

The Company recorded a further $11,816 as a provision against the Company's Argentinean project portfolio in the current three-month period to reflect the Company's shift in focus from its Argentinean projects to Scandinavian projects for which the Company entered into an option and purchase agreement in August 2020.

Loan interest expense increased by $8,152 as the Company incurred interest on several loans provided by SSL during the twelve-month period ending May 31, 2020. NDR also continued to record interest in relation to its contractual obligation of payable to SSL of $4,183 for the three-month period which has reduced from the prior comparative period as a result of the amendment to the terms of the annual payments to be made to SSL.

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

## SUMMARY OF QUARTERLY RESULTS

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

| Period | Revenues<br>$ | Net profit (loss) for the period<br>$ | Net profit/(loss) per share for the period<br>$ |
|---|---|---|---|
| Three months ended August 31, 2020 | nil | 127,489 | 0.00 |
| Three months ended May 31, 2020 | Nil | (4,799,790) | (0.08) |
| Three months ended February 29, 2020 | Nil | (221,386) | (0.00) |
| Three months ended November 30, 2019 | Nil | (251,230) | (0.00) |
| Three months ended August 31, 2019 | Nil | (246,254) | (0.00) |
| Three months ended May 31, 2019 | Nil | (952,732) | (0.02) |
| Three months ended February 28, 2019 | Nil | (331,311) | (0.01) |
| Three months ended November 30, 2018 | Nil | (530,463) | (0.01) |

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

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

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

The Company's gain of $ 127,489 for the first quarter of fiscal 2021 is due mainly to the revaluation gain of $318,564 recorded as a result of the revaluation of the contractual obligation payable due to amended terms being agreed with SSL and a reduction in costs in related to share based payment expense and salary costs in the current three month period when compared to the comparative period.

The Company's loss of $4,799,790 for the fourth quarter of fiscal 2020 is higher than that that of the comparative quarter due mainly to the write down provision recorded of $4528,887 in relation to the Company's Argentinean projects.

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

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

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

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

The Company's loss of $331,311 for the third quarter fiscal 2019 reflects the expanded operations and activities of the Company.

The Company's loss of $530,463 for the second quarter fiscal 2019 reflects the expanded operations and activities of Company following the acquisition of the Argentinean assets, and changes to its corporate structure in the year ended May 31, 2018.

## SEGMENT INFORMATION

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

| | **August 31, 2020**<br>**$** | **May 31, 2020**<br>$ |
|---|---|---|
| **Total Non-current assets** | | |
| Canada | 1,336,017 | 1,334,924 |
| Argentina | 166,6667 | 166,667 |
| | **1,502,684** | **1,501,591** |

During the period ending August 31, 2020 the Company entered into an option and purchase agreement to acquire 100% interests in the Southern Gold Line Project located in central Sweden, and the Løkken and Kjøli copper-zinc-silver-gold projects located in central Norway.

## LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2020 the Company had cash of $317,302. The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Financial Statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The Company has incurred an accumulated deficit of $17,556,279 at August 31, 2020 and has no current source of revenue. It is important to note the Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. In order to continue normal course of operations the Company is seeking additional equity funding, or alternative options, to fund ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding, or in securing alternative financing options.

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

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

On September 16 and 18, 2020 the Company announced that in an effort to conserve its capital, it has agreed to settle $385,963 of outstanding indebtedness to current and former insiders of the Company with the issuance of 6,432,714 common shares of the Company at a deemed price of $0.06 per share. All proposed shares issued in settlement of debt will be subject to a hold period trading restriction expiring 4 months and 1 day after issuance.

On September 8, 2020, the Company announced the completion of a non-brokered private placement, for proceeds of $3,624,992. The Company successfully completed the sale and conversion of 60,416,531 units. The units are comprised of one common share and one share purchase warrant entitling the holder to acquire one additional common share at $0.12 until expiry September 3, 2023.

On August 8, 2019, the Company received a cash injection of $200,000 by entering into a short-term loan agreement with SSL. The loan and interest of 10% per annum, compounding quarterly, carried an initial 3 month term rolled over by mutual agreement for successive three month periods until such time as payment is made Additional cash injections were received from SSL of $115,000 in February 2020 and $100,000 in March 2020 on the same terms as the earlier loan. Interest of $9,823 has been accrued on the SSL loans for the three-month period ending August 31, 2020. On September 18, 2020, the Company settled the total balance of its loan payable to SSL as at August 25, 2020 of $447,320 (including principal and interest) through the debt conversion of $223,660 completed on September 16, 2020 and cash repayment of $223,660. The Company made the cash payment and share issuance subsequent to August 31, 2020 to settle the debt in full.

In July 2019, the Company received cash of $30,000 by entering into an unsecured, interest free loan with no pre-set repayment terms with director E. Roth. A further $5,000 was received in October 2019 and a further $14,221 was received in December 2019 from E. Roth on the same terms as the previous loan. All loan balances were settled in full as part of the debt conversion completed on September 16, 2020.

In September 2019, the Company received $20,000 by entering into an unsecured, interest free loan with no pre-set repayment terms with director M. Little. This debt was settled in full as part of the debt conversion completed on September 16, 2020.

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

*Operating Activities*

During the three months ended August 31, 2020, the Company used $335,887 (comparative three-month period – $116,864) of cash to fund the ongoing operating activities of the Company. The cash used in operations reflects the gain incurred from operations of $127,489 (comparative three-month period – loss $246,254) adjusted for the changes in working capital items such as accounts receivable and accounts payable and non-cash items. Non-cash items include revaluation of contractual obligation payable of $318,564 (comparative three-month period $nil) ), interest on contractual obligation payable $4,183 (comparative three-month period: $8,036), interest on loan of $9,823 (comparative three-month period: $1,671), and write off of IVA receivable $1,681 (comparative three-month period:$ nil).

*Investing Activities*

During the period ended August 31, 2020 the Company incurred net cash in investing expenditures of $11,394 (comparative three-month period - $47,741) due to activities related to its Argentinean and Canadian exploration projects.

*Financing Activities*

During the three months ended August 31, 2020, the Company received private placement funds of $618,662.

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

## COMMITMENTS

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

## OFF BALANCE SHEET ARRANGEMENTS

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

## OUTSTANDING SHARE DATA

Outstanding share date as at October 27, 2020 is as follows:

| | Price | Expiry date | Number of common shares |
|---|---|---|---|
| Common shares issued and outstanding | | | 137,523,077 |
| Securities convertible into common shares | | | |
| Options | | | |
| | $0.38 | May 19, 2021 | 141,400 |
| | $0.34 | March 27, 2022 | 60,000 |
| | $0.25 | June 4, 2023 | 3,350,000 |
| | $0.15 | October 18, 2023 | 250,000 |
| Warrants | $0.125/0.25* | March 8, 2022 | 7,062,350 |
| | $0.12 | September 3, 2023 | 62,558,261 |
| | | | **210,945,088** |

* exercise price was $0.125 to September 8, 2020 and $0.25 thereafter until expiry March 8, 2022

On October 19, 2020 the Company issued 500,000 shares to IAMGOLD as payment which provides Sierra Blanca S.A for the option to acquire one-half (0.75%) of its 1.5% NSR for $750,000 at any time prior to the commencement of commercial production.

On October 19, 2020, the Company issued 3,400,000 shares to SSL in payment of the balance owing in relation to the first-year annual obligation payment which was due on the anniversary date of acquisition under the original agreement with SSL. Refer to *Financial Position* section for further details.

On September 16 and 18, 2020 the Company announced that in an effort to conserve its capital it had agreed to settle $385,963 of outstanding indebtedness to current and former insiders of the Company with the issuance of 6,432,714 common shares of the Company at a deemed price of $0.06 per share. Refer to L*iquidity, and Capital Resources* section for further detail.

On September 8, 2020, the Company announced the completion of a non-brokered private placement, for proceeds of $3,624,992. The Company successfully completed the placement of 60,416,531 units. The units are comprised of one common share and one share purchase warrant entitling the holder to acquire one additional common share at $0.12 until expiry September 3, 2023. The Company paid an aggregate of $128,503 in broker fees and issued 2,081,730 brokers warrants under the same terms and conditions of the unit warrants. All securities issued under the placement are subject to a four month hold period trade restriction expiring January 4, 2021.

## RISKS AND UNCERTAINTIES

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

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

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

**Exploration Stage Company**

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

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

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

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

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

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

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

### Competition

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

### Title to Property

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

### Personnel

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

### Commodity Price Risk

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

## TRANSACTIONS WITH RELATED PARTIES

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

a) Related party transactions

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

| | **Three months ended August 31, 2020 $** | **Three months ended August 31, 2019 $** |
|---|---|---|
| Consulting | 67,811 | 54,135 |
| Share-based payments | - | 27,534 |

(i) Consulting costs relate to ER Global (CEO) - $30,000, Marketworks (Company Secretary) $9,000, and Genco Professional Services (CFO) $15,654 and non-executive director fees of $13,157.

b) Related party balances

| | August 31, 2020<br>$ | May 31, 2020<br>$ |
|---|---|---|
| ER Global – Eric Roth - Chief Executive Officer | 308,242 | 278,247 |
| Genco Professional Services Sharon Cooper – Chief Financial Officer | 116,574 | 81,632 |
| Scott Heffernan (resigned November 2019) | 26,025 | 27,414 |
| Perihelion Inc - Mary Little | 49,279 | 43,987 |
| Glen Parsons | 43,406 | 38,636 |
| John Wenger (resigned November 2019) | 27,327 | 28,785 |
| Cameron McLean (resigned February 2020) | - | 88,467 |
| Marketworks Inc Kathryn Witter -Corporate Secretary | 25,556 | 27,450 |

The Company has short term loans with SSL totalling $447,320 (including principal and interest) as at August 31, 2020. Interest expense of $9,823 was recorded for the three months ending August 31, 2020 in relation to these loans. This loan was extinguished fully subsequent to the period ending August 31, 2020. The Company also has a contractual obligation payable balance of $1,404,971 to SSL. Refer to *Liquidity and Capital Resources* section for further details.

c) Compensation of key management personnel

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

| | | Three months ended August 31, 2020<br>$ | Three months ended August 31, 2019<br>$ |
|---|---|---|---|
| Salary/Exploration/Consulting | (i) | 54,654 | 91,635 |
| Share based payments | | - | 13,891 |

(i) Key management were not paid post-employment benefits or other long-term benefits were paid during the three months ended August 31, 2020 and August 31, 2019.

Insiders of the Company participated in the Offering completed on September 8, 2020 acquiring, directly or indirectly, an aggregate of 3,595,841 units representing 2.83% of the Company's issued and outstanding shares on an undiluted basis and 2.75% on a partially diluted basis.

On September 16, 2020 the Company announced that in an effort to conserve its capital it had agreed to settle $385,963 of outstanding indebtedness to current and former insiders of the Company with the issuance of 6,432,714 common shares of the Company at a deemed price of $0.06 per share.

## FINANCIAL RISK MANAGEMENT

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

a) Currency Risk

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

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

| **August 31, 2020** | Cash | Receivables | Accounts payable, accrued liabilities & other liabilities |
|---|---|---|---|
| | $ | $ | $ |
| US dollars | 766 | - | 121,669 |
| Australian dollars | - | - | 218,549 |
| Argentinean peso | 7,809 | - | 106,015 |

| May 31, 2020 | Cash | Receivables | Accounts payable, accrued liabilities & other liabilities |
|---|---|---|---|
| | **$** | $ | **$** |
| US dollars | 860 | - | 137,441 |
| Australian dollars | - | - | 239,450 |
| Argentinean peso | 7,727 | - | 81,632 |

At August 31, 2020 with other variables unchanged, a +/-10% change in exchange rates would decrease/increase pre-tax loss by $43,765. (2019: $27,249).

b) Interest rate and credit risk

At August 31, 2020, the Company has a positive cash balance. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at August 31, 2020 and August 31, 2019, the Company did not hold any short-term investments or cash equivalents.

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

During the twelve months ending May 31, 2020, the Company took out interest-bearing short-term loans with SSL. Refer to *Liquidity and Capital Resources* section for further details.

c) Liquidity Risk

Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. The Company cannot guarantee it will be successful in raising additional funding or securing financing options.

As at August 31, 2020, the Company had cash of $317,302 (May 31, 2020 - $43,219) to settle current liabilities of $1,936,900 (May 31, 2020 - $2,701,409). Included in current liabilities is a balance owed to related parties of $1,043,729, subsequent to the period these balances were settled through cash payment and debt conversion. Also included in current liabilities is a balance of $374,870 for the current portion of the contractual obligation payable to SSL. During the period, the terms of the payable were renegotiated and amended.

In the twelve months ending May 31, 2020, the Company entered into several loan agreements with SSL for a total principal amount of $415,000 and unsecured loans with two directors totalling $69,221. These loans were settled in cash and as part of the debt conversion announced on September 16, 2020. Refer to *Liquidity and Capital Resources* section for further details.

In order to meet its current working capital requirements and ongoing general and administrative costs the Company will seek additional equity funding or secure alternative financing options. On September 8, 2020, the Company announced the completion of a non-brokered private placement, for proceeds of $3,624,992. The Company also announced on September 16 and 18, 2020 that it had agreed to settle $385,963 of outstanding indebtedness to current and former insiders of the Company with the issuance of 6,432,713 common shares of the Company at a deemed price of $0.06 per share. Refer to *Liquidity and Capital Resources* section for further details.

d) Commodity Price risk

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

## CAPITAL MANAGEMENT

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

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. There are no external requirements imposed on the Company regarding its capital management.

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

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

## SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. We have seen an impact on our business to date, with some delays in corporate and operational activities being experienced as a result of restrictions imposed by governments in dealing with the pandemic. The scale and duration of these developments continue to remain uncertain as at the date of this report creating ongoing uncertainty and as a result certain assumptions and estimates used in the preparation of these financial statements are subject to greater volatility than normal.

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

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

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

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

*(ii) Valuation of share-based payments*

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

*(iii) Income taxes*

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

*(iv) Non-cash transactions*

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

*(v) Functional currency*

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

*(vi) Contractual obligation payable*

The Company has a contractual obligation to pay up to $400,000 per year for a period of up to 15 years to acquire certain assets in Argentina. The terms of this payable were amended during the period ended August 31, 2020. Refer Note 7 of the Interim Financial Statements. The Company has assessed the contractual obligation payable for the acquisition of the Argentinean assets as being more likely than not to not continue past 5 years from the effective date of the amendment to the agreement.

*(vii) Hyperinflation* reporting

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

## ACCOUNTING STANDARDS

### Principles of Consolidation

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

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

The Company's financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value and balances related to the Argentinean subsidiaries that have applied IAS 29 during the year.

## APPROVAL

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

## ADDITIONAL INFORMATION

Additional information relating to NDR is on SEDAR at www.sedar.com.

## FORWARD LOOKING INFORMATION

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

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

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

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

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