

# **NEWRANGE GOLD CORP**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Three months ended July 31, 2018**

### **GENERAL**

This management's discussion and analysis of financial position and the results of operations is prepared as at September 28, 2018 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of Newrange Gold Corp. ("the Company") for the three months ended July 31, 2018 and 2017 and related notes thereto. The MD&A should also be read in conjunction with the audited consolidated financial statements of the Company for the year ended April 30, 2018 and the related MD&A.

These condensed consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

### **FORWARD-LOOKING STATEMENTS**

Certain statements contained in the MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Due to the risks and uncertainties identified above and elsewhere in this MD&A, actual results may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

### **DESCRIPTION OF BUSINESS**

The Company was incorporated under the *Business Corporation Act* (B.C.) on May 16, 2006. The Company acquired all of the outstanding shares of Corporacion Minera Colombia S.A. ("Minera Colombia") on September 16, 2006 by way of a Share Exchange Agreement. Minera Colombia was formed in February 2006, and was conducting early stage exploration activities in Colombia. The Company changed its name to Newrange Gold Corp. on December 2, 2016 to reflect the Company's increased activity in favorable jurisdictions in addition to its original focus on Colombia.

The Company is an exploration company dedicated to the identification, acquisition and exploration of precious metal and base metal projects. The Company's strategy is to advance its key projects through prospecting, drilling and development stages and to seek strategic partners through joint-ventures or other associations to fund continued project development.

## **EXPLORATION PROPERTY REVIEW**

Mr. Robert G. Carrington, P. Geo, a Qualified Person as defined by National Instrument 43-101, the President and CEO of the Company, has reviewed, verified, and approved for disclosure the technical information contained in this MD&A.

### ***Pamlico, Nevada, USA***

On July 15, 2016, the Company entered into a purchase option agreement for its flagship project, subsequently amended, to purchase a 100% undivided interest in the Pamlico gold project in Nevada. To earn the interest, the Company must make payments totaling US\$7,500,000.

- i) US\$50,000 (paid \$65,003);
- ii) US\$9,000 (paid \$12,049);
- iii) US\$16,000 (paid \$21,311);
- iv) US\$125,000 (paid \$163,077);
- v) US\$250,000 (paid \$324,667);
- vi) US\$100,000 (paid \$131,512);
- vii) US\$150,000 on or before August 31, 2018 (paid);
- viii) US\$250,000 on or before July 15th of each year from 2019 to 2044; and
- ix) US\$300,000 on or before July 15, 2044.

The Company can purchase the 100% interest in the property early if payments totaling US\$4,000,000 are made by July 15, 2020.

Upon production, the Company must pay an annual payment of US\$250,000, or a 4% Net Smelter Royalty ("NSR"), whichever is greater. The Company may reduce the NSR to 1% by paying the optionor US\$1,000,000 per percentage point. All payments to the optionor are recoupable from production royalty payments. The Company will maintain the claims in good standing and pay any associated maintenance fees.

Located 12 miles southeast of Hawthorne, Nevada the project has excellent access and infrastructure, a mild, year-round operating climate and strong political support from Mineral County, one of the most pro-mining counties in the pro-mining state of Nevada. It is situated along the Walker Lane, one of Nevada's largest and most productive gold trends. When the Company acquired Pamlico the property comprised 116 unpatented lode mining claims covering the historic Pamlico group of mines, as well as the surrounding Good Hope, Gold Bar and Sunset mines. Since acquiring Pamlico the Company has increased the property by staking additional unpatented lode claims and currently has approximately 1,670 hectares of highly prospective ground contiguous with the original Pamlico property.

## Exploration Highlights

Drill programs, totalling 47 drill holes to date, have resulted in the Company discovering multiple new high-grade Zones and near surface “stock work” intercepts.

- ❑ High-grade, shallow, oxide intercepts, including:
  - DH P17-10: 6.1 m of 98 g/T Au (incl. 1.5 m of 341 g/T Au)
  - DH P17-17: 4.6 m of 44 g/T Au (incl. 0.8 m of 244 g/T Au)
  - DH P17-08: 9.1 m of 28 g/T Au (incl. 1.5 m of 85 g/T Au)
  - Discovered “halo” disseminated / stockwork bulk tonnage potential
- ❑ Near surface oxide “stock work” intercepts including:
  - DH P17-17: 70.9 meters @3.57 g/T Au from 1.5 meters
  - Decline sampling 76.2 @ 3.17 g/T Au from face

For additional details on past exploration work, including full drill program results, please visit the Company’s website at <http://www.newrangegold.com/Pamlico.asp>

### ***Rocky Mountain, Colorado, USA***

During the year ended April 30, 2017, the Company acquired a 100% interest in the Rocky Mountain project in Colorado by issuing 200,000 shares valued at \$44,000. The Company also issued 1,700,000 share purchase warrant at \$0.17 per share valued at \$240,400.

### ***El Dovia Property, Colombia***

The Company’s 100% owned El Dovia property, covers more than 1,296 hectares in the Municipio of El Dovia, Department of El Valle, registered in the Company’s Colombian subsidiary, Corporacion Minera de Colombia. The property covers high grade, gold rich, poly metallic mineralization approximately 120 kilometers north of Cali, Colombia also in the Department of Valle de Cauca. The Company interprets the mineralization to represent a large, well developed zone of “stringer” mineralization situated stratigraphically below an exhalative Volcanogenic Massive Sulfide (VMS) target.

Please refer to the Company’s website at <http://www.newrangegold.com/ElDovia.asp> for a summary of past exploration work including maps, saw cut channel samples, drilling and metallurgy studies.

### ***Anori Property, Colombia***

The Company’s Anori project is located in the Anori-Porce Mining District north of Medellin in the Department of Antioquia, where Spanish Colonial and pre-colonial gold production reportedly exceeded 2.5 million ounces. The Company has been awarded the Concession Contracts at Anori covering 7,000 hectares.

The property completely surrounds an active mining operation where individual samples in excess of 80 grams gold per metric tonne have been collected and where the Company has sampled a true width of 17 meters assaying over 6 grams gold per metric tonne in structures that trend directly into the Company’s license. Gold mineralization is found in metamorphosed, sheared, silica flooded and quartz veined carbonaceous sediments along two distinct sets of structures, one trending east – west, and the

other trending almost north - south. Several of the largest historic producing mines in the Anori area including Mina Violin and Mina La Constanzea are situated along one or more of these structures and on trend with the Company's Anori Property.

**On October 17, 2016**, the Company announced that it granted an option to purchase the Company's Anori project to a private Colombian party (the "Buyer") for US\$820,000.

Under the terms of the Agreement, the Buyer could purchase a 100% interest in the Anori Concession Contract subject to a permanent one and one half percent (1.5%) Net Smelter Returns ("NSR") royalty on production from the Anori Concession. The Anori Concession surrounds the Buyer's Mina Solferino, a high grade, fully permitted, underground mine and 100 tonne per day milling operation, on three sides, the fourth side being a large hydroelectric reservoir that is not open to mineral entry under Colombian Law.

During the year ended April 30, 2018, the optionee defaulted on the payment of US\$50,000 and the company is currently pursuing remedies available to it under Colombian law.

### ***Yarumalito Property, Colombia***

The Company owns an entire 100% interest in the consolidated Yarumalito mineral license registered in the name of the Company's Colombian operating subsidiary. Accessible from Medellin, Colombia via paved road, heavy duty electrical power is available on the Yarumalito property and a work force of more than 18,000 persons who live within 15 minutes drive from the property.

The Yarumalito project is situated along the Cauca – Romeral section of the Andean Porphyry Belt, approximately 10 kilometers north of Marmato Mountain; one of the oldest and largest producing lode gold mining complexes in Colombia. Gold mineralization at Yarumalito exhibits characteristics of typical porphyry mineralization similar to other gold dominant porphyry deposits along the prolific Cauca-Romeral Gold Belt. High-grade vein style gold mineralization has overprinted porphyry mineralization, where drilling has intersected values to 33.75 grams of gold per metric tonne over 1.9 meters.

Please refer to the Company's website at <http://www.newrangepgold.com/Yarumalito.asp> for details on past exploration work.

### **Other:**

The Company is continually engaged in discussions with companies interested in entering into joint venture or option agreements from our portfolio of properties. The Company will continue to conduct geochemical, geophysical, mapping and rock sampling programs to assess the target potential of applications and contracts in our Colombian property portfolio and management will continue to actively seek suitable JV partners for certain of the Company's properties. Continuing strong gold, silver and copper prices, improving physical security in Colombia, and on-going discovery success in the country, continue to generate interest in our portfolio from companies seeking to enter Colombia through either joint venture or property purchase opportunities.

## **RESULTS OF OPERATIONS**

### **Three Months Ended July 31, 2018**

During the three months ended July 31, 2018, the Company recorded a net loss of \$442,444 (2017 - \$914,670). Significant fluctuations include the following:

- i) Administration and other costs decreased to \$81,103 (2017 - \$159,337) due to decreased use of consultants as well as decreased fees from consultants who took reductions in pay.
- ii) Exploration expenditures decreased to \$289,155 (2017 - \$501,816). Current period's exploration costs were lower primarily due to assaying, drilling, field costs and administration, consultants and salaries at the Pamlico Property.
- iii) Investor relations and shareholder information decreased to \$25,574 (2017 - \$120,284) primarily as a result of decreased activities in the current period, including decreased attendance at trade shows and decreased travel and promotional activities.
- iv) Professional fees increased to \$32,845 (2017 - \$21,719) primarily as a result of an increase in legal and audit fees.
- v) Share-based compensation decreased to \$Nil (2017 - \$92,700) as a result of stock options granted in the comparative period.

## **LIQUIDITY AND CAPITAL RESOURCES AND GOING CONCERN**

Working capital deficiency at July 31, 2018 was \$115,395. At April 30, 2018, the Company had working capital of \$407,460.

The condensed consolidated interim financial statements were prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties and lenders, complete sufficient public equity financing, or generate profitable operations in the future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Additionally the Company estimates that it will need additional capital to operate

for the upcoming year. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

#### QUARTERLY INFORMATION

	2018		2018		2018		2017	
Quarter Ended	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31
Exploration expenditures	\$ 289,155	\$ 525,278	\$ 436,204	\$ 739,935	\$ 501,816	\$ 162,339	\$ 61,840	\$ 26,043
Administrative and other items	81,103	122,206	90,382	41,750	159,337	87,252	32,162	12,075
Net loss for the quarter	(442,444)	(961,250)	(611,644)	(1,457,349)	(914,670)	(841,833)	(104,871)	(179,903)
Net loss per share (Basic and diluted)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.00)	(0.01)

#### OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements or obligations that are not disclosed in the financial statements.

#### RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel, being officers and directors, were as follows:

For the period ended July 31, 2018	Share-Based		Total
	Salary or Fees	Payment	
Management Compensation	\$ 88,871	\$ -	\$ 88,871
Cross Davis & Company LLP	15,750	-	15,750
	\$ 104,621	\$ -	\$ 104,621

  

For the period ended July 31, 2017	Share-Based		Total
	Salary or Fees	Payment	
Management Compensation	\$ 115,726	\$ -	\$ 115,726
Cross Davis & Company LLP	15,750	-	15,726
	\$ 131,476	\$ -	\$ 131,476

Related party assets and liabilities	July 31, 2018	April 30, 2018
Due to Management*	\$ 55,110	\$ 29,266

\* due to management consists of fees owing to two key management personnel for consulting fees.

Cross Davis & Company LLP provided management services including a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to Newrange. At July 31, 2018, the Company has prepaid for \$10,500 (April 30, 2018 - \$10,500) to Cross Davis for future services.

## CHANGES IN ACCOUNTING STANDARDS

Please refer to the July 31, 2018 financial statements on [www.sedar.com](http://www.sedar.com) for accounting policy pronouncements.

## FINANCIAL INSTRUMENTS

### Financial Risk Management

Colombian's strategy with respect to cash is to safeguard this asset by investing any excess cash in very low risk financial instruments such as term deposits or by holding funds in the highest yielding savings accounts with major Canadian banks. By using this strategy the Company preserves its cash resources and is able to marginally increase these resources through the yields on these investments. The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

### Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Colombia, and the US. The Company funds cash calls to its subsidiaries outside of Canada in US dollars and a portion of its expenditures are also incurred in Colombian pesos and US dollars. The greatest risk is the exchange rate of the Canadian dollar relative to the Colombian peso and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through assets and liabilities denominated in Colombian pesos and US dollars. However a 10% change in the exchange rate of the Colombian peso and US dollar to the Canadian dollar would result in only a nominal increase or decrease to the loss from operations.

### Credit Risk

The Company's cash and cash equivalents are mainly held through large Canadian financial institutions and are mainly held in term deposits and accordingly, credit risk is minimized.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10 of the consolidated financial statements. The Company's objective is to ensure that there are sufficient committed financial resources to meet its business requirements for a minimum of twelve months.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held mainly in term deposits and therefore there is currently minimal interest rate risk.

**RISKS AND UNCERTAINTIES****Mineral Property Exploration and Mining Risks**

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

The Company is currently earning an interest in certain of its properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property.

The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

**Financing and Share Price Fluctuation Risks**

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as Colombian, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on Colombian's ability to raise additional funds through equity issues.

**Political and Currency Risks**

The Company is operating in a country that has had a stable political environment. Changing political situations may affect the manner in which the Company operates. The Company's equity financings are



sourced in Canadian dollars but for the most part it incurs its exploration expenditures in Colombian pesos or in US dollars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the US dollar or the Colombian peso could have an adverse impact on the amount of exploration conducted.

### **Insured and Uninsured Risks**

In the course of exploration, development and production of mineral properties, Colombian is subject to a number of risks and hazards, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and result in a decline in the value of the securities of the Company. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

### **Environmental Risks and Hazards**

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect Colombian's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

### **Competition**

Colombian will compete with many companies and individuals that have substantially greater financial and technical resources than the Company, for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

### **OUTSTANDING SHARE DATA AT SEPTEMBER 28, 2018**

There are 78,320,565 common shares issued and outstanding and 7,832,000 stock options issued and outstanding to directors, officers, employees and consultants of the Company with exercise prices ranging from \$0.08 to \$0.60 and which expire from February 16, 2019 through September 26, 2020. The Company also has 11,624,463 share purchase warrants outstanding with an exercise price ranging from \$0.17 to \$0.45 which expire from November 14, 2018 through November 15, 2021.