



**(An Exploration Stage Company)**

**Management's Discussion and Analysis**

**For the period ended March 31, 2018**

The following Management Discussion and Analysis ("MD&A"), prepared by the management of EnGold Mines Ltd. (Formerly GWR Resources Inc.). (the "Company", "EnGold") as at May 22, 2018, should be read in conjunction with the Company's condensed interim financial statements for the period ended March 31, 2018 and the annual audited financial statements for the year ended September 30, 2017 and related notes attached thereto which are prepared in accordance with International Financial Reporting Standards. Certain statements included or incorporated by reference in this MD&A constitute forward-looking statements or forward-looking information under applicable securities legislation. These forward-looking statements are not guarantees of future performance and involve risk and uncertainties, which could cause actual results to differ materially from those anticipated. The Company expressly disclaims any obligation to update forward-looking statements unless so required by applicable laws.

These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following:

1. capital expenditure programs;
2. development of resources;
3. expectations regarding the Company's ability to raise capital;
4. expenditures to be made by the Company to meet certain work and flow-through commitments; and
5. work plans to be completed by the Company.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

1. the British Columbian legislative and regulatory environment;
2. the impact of increasing competition;
3. unpredictable changes to the market prices for minerals;
4. anticipated results of exploration activities; and
5. the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

1. volatility in the market prices for minerals;
2. uncertainties associated with estimating resources;
3. geological, technical, drilling and processing problems;
4. incorrect assessments of the value of acquisitions;
5. unanticipated results of exploration activities; and
6. unpredictable weather conditions.

All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Note that additional information related to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **1. Nature of Operations and Overall Performance**

### **Description of Business**

EnGold Mines Ltd. is incorporated under the Business Corporations Act (British Columbia) and is listed on the TSX Venture Exchange under the trading symbol "EGM". The Company changed its name from GWR Resources Inc. pursuant to a shareholders' resolution passed at the Company's Annual General Meeting held April 22, 2016. Management recommended the change to better reflect the Company's increasing focus on gold exploration.

The Company is a mineral exploration company whose principle focus is the exploration and development of Lac La Hache property located approximately 17 kilometres north northeast of Lac La Hache in south central BC (the "Property"). The Property is accessed by approximately 30 kilometres of all-weather logging roads. Lac La Hache is located on BC Highway 97 approximately 65 Kilometres south of Williams Lake, and is well served by rail, road and power infrastructure. Operations on the Property may be carried out 12 months of the year. The Company has accumulated the Property and conducted exploration since 1988.

## Exploration Program and Results

### Lac La Hache Property

During the year from October 1, 2016 to September 30, 2017, exploration and evaluation expenditures of \$2,627,057 were incurred on the Lac La Hache property including 15,407 metres of drilling, \$327,750 in airborne and ground geophysical expenditures, and other exploration costs, compared to \$352,208 in exploration and evaluation expenditures incurred at Lac La Hache during the 12-month period ending September 30, 2016 (including a 3,850 metres drill program). During the six month period ending March 31, 2018, EnGold incurred an additional \$770,439 in exploration and evaluation expenditures, consisting primarily of drilling expense. The results of the 2016-2017 exploration program were considered by management to be very encouraging and these positive results account for most of the increased activity compared to the prior year

The Lac La Hache Property (the "Property", "LLH") lies within the Quesnel Trough in British Columbia, Canada's largest and most prolific porphyry copper-gold-molybdenum belt. The Property is located between producing mines at Imperial Metals' Mt. Polley Copper-Gold Mine and New Gold Inc.'s New Afton Copper-Gold project. The Property hosts gold, copper, silver and magnetite within porphyry/skarn/breccia geological settings. Access and infrastructure are excellent.

Management believes the Property offers strong potential for discovery and development. The extensive core library has been well documented in a robust digital database.

During the year ended September 30, 2015, management decided that the most compelling prospect on the Property was the Aurizon South zone, which previously had yielded significant high-grade gold copper values over potentially minable widths. During the fourth quarter of fiscal 2015, EnGold Mines Ltd completed a \$400,000 flow-through equity financing and commenced a 2,600 metres diamond drilling program targeting the Aurizon South. Results of the program, carried out in two phases, one of which was completed subsequent to year end, confirmed and expanded the known high-grade gold/copper zones.

During the three-month period ended December 31, 2016, EnGold completed 12 drill holes comprising 3,851.5 metres with continued high-grade gold and copper results, 11 holes of which targeted the Aurizon South. The continued encouraging results enabled the company to raise an additional \$1,100,000 in flow-through funding in December 2016, which was earmarked for further Aurizon South drilling during the year ended September 30, 2017.

Also during the 2016 campaign, visible-gold-bearing quartz vein(s) were discovered for the first time on the project, intersected in drill cores at Aurizon South at shallow and intermediate depths. At least one very well mineralized vein has been exhumed in surface trenching, where several localized grab samples from the 15 cm wide vein assayed multi-ounces of both gold and silver and many percent copper. While the currently known veins do not add significant tonnes to the Aurizon resource, they represent bonanza grades, with high potential for discovery of additional veins.

Encouraging results from several drilling campaigns at Aurizon South prompted the Company to initiate a formal 43-101 resource estimate, which was announced on January 19, 2018. The maiden, base-case Aurizon South inferred resource estimate, using a 2.5 gpt cut-off grade, totals 1,073,000 tonnes grading 3.6 gpt gold equivalent containing 124,206 ounces of gold equivalent. For detailed disclosures related to the assumptions underlying this resource disclosure, please see the Company's news release available via its website [here](#). A Technical Report disclosing full particulars of the resource prepared in accordance with NI43-101 is required to be filed on [www.sedar.com](http://www.sedar.com) within 45 days of the disclosure.

The Aurizon resource represents the second zone for which a resource exists within the project, following the first completed in 2012 at Spout Deposit.

In addition to successful drill results at Aurizon South, in 2015 EnGold identified a new zone of porphyry copper mineralization named the Berkey Zone. The Berkey Zone exhibits copper grades in host rocks geologically similar to large orebodies in the region.

### New Discovery

In September 2016, drilling logistical issues at Aurizon South prompted the Company to commence a vertical hole centered within an anomaly defined by a 2015 ground gravity test survey. DDH G16-01 was drilled to a depth of 136.6 m, then halted to support continued drilling at Aurizon South. This initial gravity anomaly test hole was not completed until February 2017, where it intersected a significant new copper (gold-silver-magnetite) zone at a depth of 337 m. Geological similarities between the new zone and existing Spout Resource located 1800 m to the north-west suggested the two may be genetically related and possibly hosted within the same Nicola volcano-stratigraphic sedimentary strata.

The downhole uniformity of the mineralization and high grades (1.76 % Cu, 0.27 gpt Au, 10.29 gpt Ag, 35.8 % Fe and including 14 m grading 2.09 % Cu) at the new “G1 Discovery” were duplicated in many subsequent drill holes completed in a 50 m step-out pattern. A total of 30 drill holes were completed at G1 as of March 31, 2018. The maximum true thickness to date within the sub-horizontal, strataform, carbonate replacement-style zone was intersected in DDH G17-16 (43.45 m grading 1.31 % Cu, 0.20 gpt Au, 4.06 gpt Ag and 31.14 % Fe and including 24 m grading 1.67 % Cu). The currently defined zone can be described as an irregular, crudely elliptical polygon measuring approximately 320 m NE-SW by 130 m NW-SE, with a thicker (44 m to date), NE-SW trending axis narrowing outwards. Boundaries are defined by narrow or low-grade intersections in several peripheral holes, however, these are based on 50 m step-outs, and extensions remain possible beyond current drilling.

To support improved geological understanding and drill targeting, regional and very detailed ground gravity surveying was completed in 2017 by Excel Geophysics, Edmonton. A detailed airborne gravity/magnetic survey was also completed by Sander Geophysics, Ottawa. In addition to maps provided by the contractors, digital data from both airborne and ground surveys were further processed to produce 3D shapes by geophysical consultant Trent Pezzot. These results were then modeled as 3D isosurfaces for viewing and incorporation with other 3D data by EnGold’s VP Exploration.

Collectively, the gravity anomalies define a 6 km long trend extending from the Spout Resource across the property to the east-southeast. Three of approximately 9 regional gravity anomalies were drill tested with negative results, but these contribute to a better general understanding of the significance of the anomalies.

The field exploration program was interrupted for ten weeks during July to September 2017 by extreme forest fire activity throughout the Cariboo region of BC. Although the Lac La Hache project area was not directly affected by fire, hot and dry conditions and related extreme fire danger required the Company to cease operations in compliance with the BC Wildfire Act with respect to high risk activities.

In December 2017, detailed ground gravity surveying over a portion of the ground lying between G1 Discovery and Spout Deposits produced preliminary map patterns that are very similar to those over G1, suggesting further study of the area is warranted. Although G1 was discovered on the basis of a single ground gravity anomaly, direct correlation between the subsequent detailed ground patterns and specific drill-hole results is not evident. In 2018, EnGold will investigate the potential for additional geophysical methods, such as borehole and surface Induced Polarization surveys and borehole electromagnetic methods, to complement the existing geophysical model at G1, to support improved exploration elsewhere along the main trend.

Drilling to test for extensions of the immediate G1 area continued until December 9, 2017. Two holes (G17-37 and G17-38) were located between large, 71m step-outs along the central, thicker portion of the zone. Both holes intersected much thicker mineralization than was previously drilled in the nearest holes, demonstrating the value of in-fill between the offset 50m-spaced initial pattern of drilling,

To review the detailed results of the above noted exploration activities, please visit the Company’s Website at [www.engold.ca](http://www.engold.ca)

### **Resource Property Interests – Exploration and evaluation expenditures**

Activities of the Company for the six month period ended March 31, 2018 focused on the continuing exploration work on its Lac La Hache property as indicated in the *Exploration Program and Results* described above. Two additional in-fill holes were completed at the G1 Zone. Hole G18-39 defined the narrower, eastern side of the zone, and G18-40 extended the thicker central portion within G1 to the west. The total number of holes in the G1 area now equals 32 (to April 8, 2018)

Exploration and evaluation expenditures for the period ended March 31, 2018 and 2017 are detailed below:

**Outlook**

(in dollars)	2018	2017
Assays	18,752	18,437
Drilling	452,092	584,460
Equipment	10,898	18,547
Geological services	149,025	171,250
Geophysical services	41,380	-
Field Supervision	36,500	66,335
Rent	17,452	15,524
Supplies and other	10,847	10,870
Travel	33,493	69,083
<b>Total</b>	<b>770,439</b>	<b>954,506</b>

The strong exploration results obtained in 2016 and 2017 at the Lac La Hache Property have renewed management's commitment to aggressively exploring the Property. Management intends to raise significant additional equity financing to continue with its ongoing exploration goals.

**2. Results of Operations**

During the six month period ended March 31, 2018, the Company had a loss of \$1,552,063 (2017 – \$946,512). Significant activities during the period were as follows:

- **Depreciation** – increased to \$6,044 (2017 - \$3,233) as the Company acquired additional assets and is amortizing the assets over the course of the period using the declining balance method.
- **Exploration and evaluation expenditures** – decreased to \$770,439 (2017 – \$954,506) primarily related to a decrease in drilling expenditures as the Company reached the conclusion of a drill program in December 2017. The drilling program recommenced in late March 2018.
- **Filing and regulatory** – increased to \$18,362 (2017 - \$16,376) as the Company had more share capital activity as compared to the prior period.
- **Office and other** – increased to \$43,894 (2017 - \$25,840) because of costs associated with the new office space and additional administrative costs incurred resulting from the increased scope of the Company's operations.
- **Management and consulting fees** – increased to \$126,301 (2017 - \$62,531) resulting primarily from changes to the Company's executive and administrative team.
- **Professional fees** – increased to \$128,110 (2017 - \$90,171) primarily relating to legal fees incurred in defense of and counterclaim to litigation initiated by a former senior officer of the Company.
- **Share-based payments** – decreased to \$387,913 (2017 - \$1,206,639) relating to the fair value of stock options granted in the prior year recognized over the course of their vesting period.
- **Shareholder communications** – increased to \$54,555 (2017 - \$14,290) resulting from costs associated with disseminating information and undertaking investor relations programs.
- **Travel and promotion** – increased to \$20,634 (2017 - \$3,186) as the Company focuses on developing its market presence and image.

### 3. Summary of Quarterly Results

	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Total assets	\$3,057,353	\$3,389,932	\$4,395,078	\$4,384,592
Working capital	143,644	422,187	1,248,975	1,423,114
Shareholders' equity	2,929,953	3,211,519	3,910,703	4,086,461
Income (loss)	(467,330)	(1,084,733)	(976,726)	(1,266,422)
Income (loss) per share	(0.00)	(0.01)	(0.01)	(0.01)

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Total assets	\$3,528,782	\$3,721,581	\$2,880,335	\$2,863,950
Working capital	288,892	161,524	(164,950)	(367,606)
Shareholders' equity	2,953,853	2,822,686	2,504,294	2,476,408
Income (loss)	(420,905)	(532,072)	(169,539)	(76,677)
Income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)

### 4. Liquidity

The Company's historical capital needs have been met by issuance of shares. As at March 31, 2018, the Company's working capital was \$143,644 (September 30, 2017 – \$1,248,975). The Company proposes to meet any additional financing requirements through equity financing.

The Company's cash position as at March 31, 2018 was \$226,374 (September 30, 2017 - \$1,570,640). The decrease in cash is primarily due to outflows from operating activities of \$1,431,546 and investing activities of \$45,626, offset by cash provided by financing activities of \$129,650.

The Company does not have operations that generate cash flow and it is unlikely that it will generate cash flow from operations in the foreseeable future.

Cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements. As of the date of this filing, the Company does not have the adequate funds on hand to complete its planned exploration program for the fiscal year 2018.

The Company has outstanding options and warrants that expire in August and October of 2018. If exercised, they could generate cash up to \$359,140 for warrants expiring in August, \$579,286 for warrants expiring in October and \$23,520 for options expiring in October.

As at May 22, 2018, incentive stock options were outstanding as follows:

	Number	Exercise price	Expiry date
<b>Stock Options</b>	196,000	\$0.12	October 28, 2018
	1,236,666	\$0.40	March 16, 2019
	66,666	\$0.40	August 9, 2019
	1,236,666	\$0.40	March 16, 2020
	66,666	\$0.40	August 9, 2020
	1,236,666	\$0.40	March 16, 2021
	<u>66,666</u>	\$0.40	August 9, 2021
	4,105,996		

As at May 22, 2018, share purchase warrants were outstanding as follows:

	Number	Exercise price	Expiry date
<b>Share Purchase Warrants</b>	2,426,666	0.10	August 31, 2018
	1,330,920	0.08	August 31, 2018
	3,773,334	0.10	October 12, 2018
	2,441,080	0.08	October 12, 2018
	5,850,000	0.30	December 8 2018
	4,280,000	0.60	April 11, 2019
	2,599,743	0.40	May 16, 2020
	<u>206,510</u>	0.35	May 16, 2020
	<u>22,908,253</u>		

The Company is dependent on raising funds by the issuance of shares in order to undertake exploration and development interests and meet general and administrative expenses beyond one year in the future. There can be no assurance that the Company will be successful in obtaining their required financing.

#### 5. Capital Resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions and the Company's ability to achieve certain exploration milestones.

Issued and outstanding common shares at the date of this report is 197,537,209 (March 31, 2018 – 194,747,876).

#### **Instruments and Other Instruments**

The following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding:

Cash	Loans and receivables
Amounts receivable	Loans and receivables
Reclamation deposit	Loans and receivables
Restricted cash	Loans and receivables
Accounts payable and other liabilities	Other financial liabilities
Short and long-term debt	Other financial liabilities

#### **Determination of Fair value**

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statement of Financial Position carrying values for: cash; receivables; accounts payable and accrued liabilities and other liabilities, approximates fair value due to their short-term or demand nature.

#### 6. Related Party Transactions

Key management personnel comprise the Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Vice President of Exploration and Directors of the Company. The remuneration of the key management personnel for the period ended March 31, 2018 is as follows:

- Included in management and consulting fees is \$60,000 (2017 - \$35,000) for services provided by the CEO, \$13,000 (2017 - \$9,800) paid to the corporate secretary, and \$24,000 (2017 - \$nil) to a company that employs the CFO of the Company.
- Included in exploration and evaluation expenditures is \$75,360 (2017 - \$108,000) for geological consulting services to a company controlled by the Vice President of Exploration.
- Included in share-based payments is \$351,853 related to the fair value of stock options issued to key management personnel.

An amount of \$15,635 (September 30, 2017 - \$32,563) included in accounts payable to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

#### **7. Off-Balance Sheet Arrangements**

There is no off-balance sheet arrangement to which the Company is committed.

#### **8. Subsequent Events**

Subsequent to the period ended March 31, 2018:

- a) the Company closed the first tranche of a brokered private placement by issuing 2,429,667 flow-through units at a price \$0.30 per flow-through unit for gross proceeds of \$728,900 and 193,000 common units at a price of \$0.26 per common unit for gross proceeds of \$50,180. Each flow-through unit consisted of one flow-through common share and one transferable non-flow-through common share purchase warrant, exercisable for a period of 24 months from closing, at an exercise price of \$0.40. Each common unit consisted of one common share and one transferable non-flow-through common share purchase warrant, exercisable for a period of 24 months from closing, at an exercise price of \$0.35.

In connection with the offering, the Company paid a corporate finance fee of \$15,000 and an agent's commission of \$54,536, and granted 170,076 agent's warrants, exercisable at a price of \$0.40 per non-flow-through common share for a period of 24 months, and 13,510 agent's warrants, exercisable at a price of \$0.35 per non-flow-through common share for a period of 24 months. In addition, the Company incurred \$17,164 in legal and fees and disbursements; and

- b) 166,666 share purchase warrants with an exercise price of \$0.10 were exercised for gross proceeds of \$16,666.

#### **9. Proposed Transactions**

The Company has no specific proposed transactions. However, consistent with the nature of the Company's operations, the Company is continuously reviewing potential mineral property acquisitions and is likely to acquire additional mineral properties in the future.

#### **10. Legal Proceedings**

During the period, the Company was a party to the following legal proceeding:

- *Eisler v EnGold*. In fiscal Q4 of 2015, a holding company 100% owned by a former CEO of the Company brought a suit in the Supreme Court of BC against EnGold for wrongful dismissal arising out of the termination of Mr. Irvin Eisler's employment in 2011. Management believes that the Company's termination of Mr. Eisler for cause was entirely justified, and the present case is wholly without merit. The Company has filed a counterclaim against Eisler et al for unspecified damages relating to significant amounts of inappropriate related party payments that accrued to Mr. Eisler's benefit during his tenure. No contingent liability has been recorded on the Company's books for this case.

#### **11. Critical Accounting Estimates and Judgements**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

##### *Critical accounting estimates*

- i. The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

- ii. Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

#### *Critical accounting judgments*

- i. The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. Management has assessed these indicators and does not believe an impairment provision is required.
- ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- iii. The estimate for contingencies and settlement provisions require management to make judgments as to the likelihood of outcomes, and estimates of the timing and the possible outflow of economic benefits.

#### **Disclosure Control and Procedures**

##### **Internal Controls and Procedures**

The Chief Executive Office and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes accordance with IFRS.

Certain weaknesses exist in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas which existed. The existence of these weaknesses is to be compensated by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue will also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action.

##### **Risk Factors**

In conducting its business, the Company, like all development-stage mineral exploration companies, faces a variety of risks uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Exploration and Development - Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability o a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title Risks - Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

Permitting Risks - The development of mineral resources in British Columbia is subject to a comprehensive review, approval and permitting process involving various provincial and regional agencies, in addition to the various First Nations groups that have jurisdiction in the Company's area of claims. There can be no assurance given for the required approvals and permits for a mining project, even if technically and economically warranted, can be obtained in a timely or cost-effective manner.

Fluctuating Metal Prices - Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects and the Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Environmental Regulations, Permits and Licenses - Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Competition - The mineral exploration industry is intensely competitive in all its phases, and the Company competes with some companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Future Financings - The Company's continued operation will be dependent in part upon its ability procure additional financing. To date, the Company has done so through a combination of: (i) equity financing; and (ii) cash payments received as property option payments from third parties. The current state of global equity markets has had a direct effect on the ability of exploration companies, including the Company, to finance project acquisition and development through the equity markets. There can be no assurance that forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities - During recent months, global securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

## **11. Approvals**

The Board of Directors of EnGold Mines Ltd. has approved the disclosures contained in the Management Discussion and Analysis for the period ended March 31, 2018, prepared as at May 22, 2018.

## **12. Information regarding forward looking statements**

The technical disclosures herein have been reviewed and approved by Mr. Robert Shives, PGeo, vice-president of exploration to the company and a qualified person as defined in National Instrument 43-101.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the prices of gold and other metals, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, Government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompleteness of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals. While the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company expressly 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 law.