(formerly "Chantrell Ventures Corp.")

O3 MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

This management's discussion and analysis (this "MD&A") reflects the assessment by management of the results and financial condition of O3 Mining Inc. (formerly Chantrell Ventures Corp.) ("O3 Mining" or the "Corporation") and should be read in conjunction with the Corporation's unaudited financial statements for the three and nine month periods ended September 30, 2019 and 2018 and the notes thereto. Management is responsible for the preparation of the financial statements and this MD&A. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"), applicable to the preparation of interim financial statements in accordance with IAS 34, Interim Financial Reporting. This MD&A and the related financial statements are available electronically on SEDAR (www.sedar.com) under O3 Mining's issuer profile and O3 Mining's website (www.O3Mining.ca), and should be read in conjunction with the audited consolidated financial statements of the Corporation for the years ended December 31, 2018 and 2017.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "*Risks and Uncertainties*" and the "*Cautionary Note Regarding Forward-Looking Information*" sections at the end of this MD&A.

This MD&A has been prepared as of November 8, 2019. All dollar figures in this MD&A are expressed in Canadian dollars, unless stated otherwise.

Technical Information

Scientific and technical information in this MD&A relating to the **Garrison Project** is supported by the technical report titled *"A Mineral Resource Estimate for the Garrcon, Jonpol and 903 Zones at the Garrison Project, Garrison Township, Black River - Matheson Area, Northeastern Ontario"* dated as of April 4, 2019 (effective date of February 19, 2019), which has been prepared by RockRidge Partnership and Associates and has been reviewed and audited by Micon International Limited (the "Garrison Resource Estimate"). The Garrison Resource Estimate was prepared under the direction of B. Terrence Hennessey, P.Geo. (APGO No. 0038), who is a "qualified person" within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Hennessey is an employee of Micon International Limited and is considered to be "independent" of O3 Mining for purposes of section 1.5 of NI 43-101. Reference should be made to the full text of the Garrison Resource Estimate, which was prepared in accordance with NI 43-101 and is available electronically on SEDAR (www.sedar.com) under O3 Mining's issuer profile.

Scientific and technical information in this MD&A relating to the **Marban Project** is supported by the technical report titled *"Updated Mineral Resource Technical Report, Marban Block Project, Québec, Canada"* dated as of July 28, 2016 (effective date of June 13, 2016), which has been prepared by Mr. Elzéar Belzile, Eng. of Belzile Solutions Inc. (the "Marban Resource Estimate"). Mr. Elzéar Belzile is a "qualified person" within the meaning of NI 43-101 and is considered to be "independent" of O3 Mining for purposes of section 1.5 of NI 43-101. Mr. Elzéar Belzile is responsible for the scientific and technical information reported in the Marban Resource Estimate, including verification of the data disclosed therein. Mr. Thomas L. Dyer, P.E. of Mine Development Associates is also a "qualified person" within the meaning of NI 43-101 and is considered as "independent" of O3 Mining for purposes of section 1.5 of NI 43-101. Mr. Thomas L. Dye is responsible for Whittle pit optimizations reported in the Marban Resource Estimate. Reference should be made to the full text of the Marban Resource Estimate, which was prepared in accordance with NI 43-101 and is available electronically on SEDAR (www.sedar.com) under O3 Mining's and Alexandria Mineral Corporation's issuer profiles.

Information relating to the **Akasaba Project** is supported by the technical report titled "NI 43-101 Technical Report on the Akasaba Project, Province of Québec, Canada" dated of March 1, 2013 with an effective date of January 20, 2013 (the "Akasaba Resource Estimate") which has been prepared by Christian D'Amours, B.Sc. P.Geo (OGQ #226) of Geopointcom, from Val-d'Or, Québec, and has been reviewed and audited by Geologica Inc. Val-d'Or, Québec. The Akasaba Resource Estimate was prepared under the direction of Alain-Jean Beauregard, P.Geo (OGQ # 227) and Daniel Gaudreault (OIQ # 39834) who are "qualified persons" within the meaning of NI 43-101, and both are considered to be "independent" of the Corporation for purposes of section 1.5 of NI 43-101. Reference should be made to the full text of the Akasaba Resource Estimate, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR (www.sedar.com) under Alexandria Minerals Corporation's issuer profile.

Information relating to the **Sleepy Project** is supported by the technical report titled "2014 NI 43-101 Technical Report on the Sleepy Lake Property, Province of Québec, Canada" dated November 25, 2014 with an effective date of September 15, 2014 (the "Sleepy Resource Estimate") which has been prepared by Christian D'Amours, B.Sc. P.Geo (OGQ #226) of Geopointcom, from Val-d'Or, Québec, and has been reviewed and audited by Geologica Inc.Val-d'Or, Québec. The Sleepy Resource Estimate was prepared under the direction of Alain-Jean Beauregard, P.Geo (OGQ # 227) and Daniel Gaudreault (OIQ #

39834) who are “qualified persons” within the meaning of NI 43-101, and both are considered to be “independent” of the Corporation for purposes of section 1.5 of NI 43-101. Reference should be made to the full text of the Sleepy Resource Estimate, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR (www.sedar.com) under Alexandria Minerals Corporation's issuer profile.

Information relating to the **East Cadillac Gold Project** is supported by the technical report titled "2019 NI 43-101 Technical Report and Mineral Resource Estimate: East Cadillac Gold Project, Val-D’Or, Québec" dated June 7, 2019 with an effective date of April 30, 2019 (the "East Cadillac Resource Estimate") which has been prepared by MRB & Associates, from Val-d’Or, Québec. Mr. John Langton, P.Geo, and Vincent Jourdain, P.Eng. (MRB & Associates) is a “qualified person” (as defined by NI 43-101), and both are considered to be “independent” of the Corporation for purposes of section 1.5 of NI 43-101. MRB & Associates is also considered to be "independent" of the Corporation for purposes of section 1.5 of NI 43-101. Reference should be made to the full text of the East Cadillac Resource Estimate, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR (www.sedar.com) under Chalice Gold Mines Limited's issuer profile.

Information relating to the **Tortigny Project** is supported by the technical report titled "Technical Report for the Tortigny Polymetallic Project, Southern James Bay municipality, Québec, Canada" dated July 15, 2014 with an effective date of June 2, 2014 (the "Tortigny Resource Estimate") which has been prepared by Micon International Limited from Toronto, Ontario. Ms. Tania Ilieva, Ph.D., P.Geo, Mr. Bogdan Damjanovic, P.Eng (Micon International Limited) and Stefan Kruse Ph.D., P.Geo (Terrane Geoscience Inc.) are “qualified person” (as defined by NI 43-101), and are considered to be “independent” of the Corporation for purposes of section 1.5 of NI 43-101. Reference should be made to the full text of the Tortigny Resource Estimate, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR (www.sedar.com) under Beaufield Resources Inc.'s issuer profile

Scientific and technical information in this MD&A relating to the **Orenada Project** is supported by the technical report titled *"A Mineral Updated Mineral Resource Estimate for the Orenada Zones 2 and 4 Project, Orenada Group Properties, Latitude 48° 03' North and Longitude 77° 42' West, Province of Québec, Canada"* dated of July 20, 2018 (effective date of July 6, 2018), which has been prepared by InnovExplo Inc. (the "Orenada Resource Estimate"). InnovExplo is considered to be "independent" of the Corporation for purposes of section 1.5 of NI 43-101 and is responsible for Whittle pit optimizations reported in the Orenada Resource Estimate. Reference should be made to the full text of the Orenada Resource Estimate, which was prepared in accordance with NI 43-101 and is available electronically on SEDAR (www.sedar.com) under Alexandria Minerals Corporation's issuer profile.

This MD&A uses the terms measured, indicated and inferred resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of mineral resources that are not mineral reserves has not been demonstrated. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing or other relevant issues. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to an indicated or measured mineral resource category. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's *"*CIM Definition Standards on Mineral Resources and Mineral Reserves*"* incorporated by reference into NI 43-101. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for a preliminary economic assessment as defined under NI 43-101. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically.

Mr. Pascal Simard, P.Geo. B.Sc., Exploration Manager of O3 Mining, is a "qualified person" within the meaning of NI 43-101 and has reviewed and approved the technical information in this MD&A with respect to all of the Corporation's properties located in Québec, including the James Bay Properties, the Marban Block Project and the Orenada Project.

Ms. Alexandria Marcotte, P.Geo., Vice President of Project Co-ordination of O3 Mining, is a "qualified person" within the meaning of NI 43-101 and has reviewed and approved the technical information in this MD&A with respect to all of the Corporation's properties in Ontario, including the Garrison Project.

DESCRIPTION OF BUSINESS

The Corporation was continued from British Columbia to Ontario on June 28, 2019. On July 5, 2019, Osisko Mining Inc. ("Osisko Mining") completed a spin-out transaction that resulted in a reverse takeover of the Corporation by Osisko Mining. This spin-out transaction resulted in the formation of a new company – renamed "O3 Mining Inc." – with a focus is the exploration and development of precious metals resource properties in Canada. Currently, the Corporation is exploring in Ontario and Québec and looking for new opportunities to enhance shareholder value.

UPDATES DURING THE NINE MONTH PERIOD AND SUBSEQUENT TO THE NINE MONTH PERIOD

Corporate Development and Acquisitions:

- On August 23, 2019, O3 Mining completed its acquisition of Harricana River Mining Corporation Inc. ("Harricana Mining") pursuant to an amalgamation agreement dated July 19, 2019 among Harricana Mining, O3 Mining and 9401-3513 Québec Inc., a wholly owned subsidiary of O3 Mining (the "Harricana Amalgamation Agreement"). Pursuant to the Harricana Amalgamation Agreement, Harricana Mining and 9401-3513 Québec Inc. amalgamated under the provisions of the *Business Corporations Act* (Québec) with the resulting company being a wholly-owned subsidiary of O3 Mining.

- On August 1, 2019, O3 Mining completed its previously-announced business combination with Alexandria Mineral Corporation ("Alexandria"), pursuant to which O3 Mining acquired all of the common shares of Alexandria by way of a statutory plan of arrangement under the *Canada Business Corporations Act*. Under the terms of the arrangement, each former shareholder of Alexandria received 0.018041 common shares of O3 Mining in exchange for each common share of Alexandria held.

- On July 25, 2019, O3 Mining completed its previously-announced acquisition of Chalice Gold Mines (Québec) Inc. ("CGMQ"), a wholly-owned subsidiary of Chalice Gold Mines (Ontario) Inc. ("Chalice"), pursuant to which O3 Mining acquired all the common shares of CGMQ. Under the terms of the share purchase agreement, Chalice received 3,092,784 common shares of O3 Mining and a 1% net smelter returns royalty ("NSR") on all of the acquired claims that were not subject to a pre-existing royalty. In addition, cash consideration will be paid to Chalice by O3 Mining for existing tax credits upon receipt from Canadian tax authorities totaling $1 million.

- On July 5, 2019, the Corporation and Osisko Mining completed the previously-announced spin-out transaction pursuant to which, among other things, certain assets of Osisko Mining were transferred to the Corporation in exchange for common shares of the Corporation, with the issuance of such shares resulting in a reverse take-over of the Corporation by Osisko Mining (the "Reverse Take-Over"). The Reverse Take-Over was implemented by way of a statutory plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario). The assets of Osisko Mining that were transferred to the Corporation pursuant to the Reverse Take-Over include: (i) the Marban deposit (located in Québec's Abitibi gold mining district between Val-d'Or and Malartic); (ii) the Garrison deposit (located in the Larder Lake Mining Division in north east Ontario); (iii) certain other exploration properties and earn-in rights; and (iv) a portfolio of selected marketable securities (collectively, the "Transferred Assets"). The Transferred Assets were transferred to the Corporation in exchange for an aggregate of 24,977,898 common shares of the Corporation (after giving effect to the Consolidation (as defined below)). In connection with the Reverse Take-Over, the Corporation also, among other things: (i) changed its name to "O3 Mining Inc."; (ii) replaced all directors and officers of the resulting issuer; (iii) obtained approval of the TSX Venture Exchange for the listing of the common shares of O3 Mining; (iv) consolidated the common shares of O3 Mining on a 40:1 basis (the "Consolidation"); (v) continued from British Columbia to Ontario; and (vi) completed the conversion of the outstanding subscription receipts of the Corporation for the underlying securities.

Financings:

- On October 31, 2019, O3 Mining issued an aggregate of 211,643 shares to certain creditors of Alexandria in exchange for the purchase of debts owed by Alexandria to those creditors totaling $820,279.48.

- On September 26, 2019, O3 Mining completed a "bought deal" brokered private placement of 2.4 million common shares that will qualify as flow-through shares (within the meaning of Subsection 66(15) of the *Income Tax Act* (Canada) and Section 359.1 of the *Taxation Act* (Québec)) at a price of $4.20 per flow-through share for aggregate gross proceeds of approximately $10.08 million.

- On March 27, 2019 and June 27, 2019, the Corporation closed the first and second tranches, respectively, of its previously-announced private placement of an aggregate of 4,772,042 subscription receipts at a price of $3.88 per subscription receipt for aggregate gross proceeds of approximately $18,516,000 (the "Subscription Receipt Offering"). On July 5, 2019, in conjunction with the closing of the Reverse Take-Over, each subscription receipt was automatically converted into one unit of O3 Mining, with each unit comprised of one post-Consolidation common share of O3 Mining and one post-Consolidation warrant of O3 Mining. Each warrant is exercisable to acquire one additional common share of O3 Mining for a period of 36 months following the effective date of the Reverse Take-Over at an exercise price of $4.46 per warrant share. The net proceeds from the Subscription Receipt Offering have been allocated by O3 Mining for exploration and development of the Marban, Orenada gold resource including work on the Centremaque property and Garrison deposits as well as general corporate purposes. The underwriters of the Subscription Receipt Offering were paid a cash commission equal to 5.0% of the gross proceeds and received broker warrants to acquire such number of shares as are equal to 5.0% of the subscription receipts issued.

Exploration Highlights:

Overall Performance

During the nine month period ended September 30, 2019, the Corporation spent approximately $1.2 million on exploration and evaluation activities, mostly on the Orenada group and ECG properties, $1.8 million on transaction costs related to the Reverse Take-Over, the business combination with Alexandria, CGMQ and Harricana Mining, and $710,000 on general and administration expenses including salaries and benefits. For the nine months period ended September 30, 2019, the Corporation completed a mineral resource estimate update for the Orenada Zones 2 and 4 Project (see press release of Alexandria dated June 6, 2018 and *"New Resource Estimate Orenada"*, below) and assayed over 12,166 metres of core samples drilled in fiscal 2018 from the western extensions of the Orenada deposit in the Near West area and the Airport target in the Far West area of the Corporation's Val-d'Or land package. The Corporation also completed an initial technical review of exploration targets identifying a new gold mineralized shear zone, the Bulldog Zone over a 500 m strike distance intersected by a number of drill holes;

- O3 Mining intersected 18.8 g/t Au over 1.3 metres 1,500 West of Bulldog

- Bulldog Zone returned Up to 10.50 m @ 6.20 g/t Au (OAX-18-245); 5.20 m @ 7.20 g/t Au (OAX-18-254) and 8.30 m @ 5.15 g/t Au (OAX-18-259).

- Two other new gold bearing Zones were discovered on the property in Centremaque and Airport areas.

- Sampling of core from these two new zones returned up to 2.40 m @ 9.69 g/t Au (AAX-18-245) and 3.55 m @ 5.32 g/t Au, included in a larger envelope at 21.1 m @ 2.03 g/t Au (CAX-18-06).

Garrison Mineral Resource Estimate

	Measured & Indicated			Inferred		
Cut-off grade	Tonnes (T)[15]	Grade (g/t)	Ounces Au[15]	Tonnes (T)[15]	Grade (g/t)	Ounces Au[15]
> 0.2 g/t Au	53,951,000	0.95	1,648,000	10,388,000	0.88	295,000
> 0.3 g/t Au	50,085,000	1.00	1,617,000	10,011,000	0.91	292,000
> 0.4 g/t Au	**43,382,000**	**1.10**	**1,541,000**	**9,190,000**	**0.96**	**283,000**
> 0.5 g/t Au	36,365,000	1.23	1,439,000	8,072,000	1.03	266,000
> 0.6 g/t Au	30,275,000	1.37	1,332,000	6,421,000	1.15	237,000

Garrison Resource Estimate notes:

1. *The Garrison Resource Estimate has been prepared pursuant to CIM standards and guidelines for reporting mineral resources and reserves.*
2. *Resources are presented undiluted and in situ and are considered to have reasonable prospects for economic extraction.*
3. *The database comprised a total of 1,115 drill holes for 342,873.7 metres of drilling in the extent of the mineral resource, of which 197 drill holes (87,250.8 metres) were completed and assayed by O3 Mining as of July 31, 2018.*
4. *All NQ core assays reported by O3 Mining were obtained by analytical methods described below under "Quality Control and Reporting Protocols".*
5. *Geological interpretation of the deposits was based on the Garrison deposit (Garrcon, Jonpol, and 903) as lying at the confluence of the Destor Porcupine Fault and the Munro fault (a splay structure of the Destor Porcupine) and mineralization hosted in structurally controlled domains. Interpretation was initially made from cross-sections at 25 or 50 metre intervals, and then completed in Leapfrog Software, where selections of mineralization intervals were combined to generate mineralization wireframes.*
6. *The mineralized domains used for the mineral resource estimate were constructed in Leapfrog Software using 0.2 g/t Au interpolant grade shells with 0.5 ISO values limited by hard boundaries to modeled lithological and structural zones.*
7. *Samples were composited within the mineralization domains into 2.0 metre length composites for all areas except the Garrcon Main Metasedimentary zone, where 2.5 metre composites were more appropriate.*
8. *High grade capping was done on composite data and established using a statistical analysis on a per-zone basis for gold. Capping values of between 10 g/t to 40 g/t were used depending on mineralized domain.*
9. *Density values were applied on the following lithological basis (t/m3): 2.79 for all metasedimentary units and 2.82 for all igneous units.*
10. *Ordinary Kriging (OK) based interpolation was used for the estimation of all zones of the Garrison gold deposit. Estimates are based on a block dimension of 10 metres North East, 2 metres North West and 10 metres height for all zones except the Garrcon Main Metasedimentary unit where 5 metre x 5 metre x 5 metre blocks were used. Estimation parameters were based on variography. Strong anisotropies were observed in all cases, and variograms were rotated to reflect the best major, semi-major and minor ranges. Spherical models were fitted to pairwise relative semi-variograms. Search radii reflected the orientations of the variography. Search distances were used in three passes, where the first pass equaled two thirds of the variogram range, the second pass was equal to full variogram range and the third pass was double the respective range.*
11. *The Garrison Resource Estimate is categorized as measured, indicated and inferred mineral resource as follows:*
    - *The measured mineral resource category is generally based on a minimum number of six informing composites using a minimum of three drill holes located within the first estimation pass (two thirds variogram range)*
    - *The indicated mineral resource category is largely based on using a minimum of four composites from two drill holes located in the second estimation pass*
    - *The inferred mineral resource category is based on a minimum of four composites from two drill holes located in the third pass.*
    - *After initial coding of each pass, results were further refined in Leapfrog Software to establish continuous volumes for each resource category.*
12. *Estimates use metric units (metres, tonnes and g/t). Metal contents are presented in troy ounces (metric tonne x grade / 31.10348).*
13. *Micon International Limited is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issue not reported in the technical report, that could materially affect the mineral resource estimate.*
14. *These mineral resources are not mineral reserves as they have not demonstrated economic viability. The quantity and grade of reported inferred resources in this mineral resource estimate are uncertain in nature and there has been insufficient exploration to define these inferred resources as indicated or measured. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration though not guaranteed.*
15. *The number of metric tonnes and ounces was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects.*

Marban Mineral Resource Estimate

Deposit	Measured			Indicated			Measured & Indicated			Inferred		
	Tonnes (000 t)(15)	Grade (g/t)	Ounces Au (000 oz) (15)	Tonnes (000 t) (15)	Grade (g/t)	Ounces Au (000 oz) (15)	Tonnes (000 t) (15)	Grade (g/t)	Ounces Au (000 oz) (15)	Tonnes (000 t) (15)	Grade (g/t)	Ounces Au (000 oz) (15)
Marban In-Pit(5)	7,653	1.47	363	20,801	1.13	758	28,455	1.23	1,121	3,599	1.15	134
Norlartic In-Pit(5)	-	-	-	8,585	1.30	358	8,585	1.30	358	2	0.52	-
Kierens In-Pit(5)	-	-	-	390	1.39	17	390	1.39	17	23	1.39	1
Marban Underground(6)	18	3.49	2	279	4.24	38	297	4.20	40	502	3.67	59
Norlartic Underground(6)	-	-	-	184	3.48	21	184	3.48	21	-	-	-
Kierens Underground(6)	-	-	-	248	3.83	30	248	3.83	30	12	3.61	1
Total	**7,671**	**1.48**	**365**	**30,487**	**1.25**	**1,222**	**38,159**	**1.29**	**1,587**	**4,138**	**1.47**	**195**

Marban Resource Estimate notes:

1. *The Marban Resource Estimate is compliant with CIM standards and guidelines for reporting mineral resources and reserves.*
2. *Resources are presented undiluted and in situ and are considered to have reasonable prospects for eventual economic extraction.*
3. *The database comprised a total of 723 holes for 221,200 metres of drilling completed and assayed by Osisko Mining (NioGold Mining Corporation) as of the end of November 2015 on a 25 metre x 25 metre grid to 25 metre x 50 metre grid. Another 379,440 metres of the database were from 3,855 historical holes and 9,183 metres from 1,356 channels from the Marban mine compiled from previous operators.*
4. *The database also comprised a total of 305,652 assays with an average of 1.5 metre per sample for a total of 339,086 assayed metres. All NQ and BQ core assays reported by Osisko Mining were obtained by standard 50 g fire assaying-AA finish or gravimetric finish at ActLabs laboratory in Ste-Germaine Boulé, Québec, which is an accredited laboratory. A quality assurance and quality control program (QA/QC) was implemented by Osisko Mining and the laboratory to insure the precision and reproducibility of the analytical method and results. The QA/QC program included the insertion of standards, blanks and field duplicates in the sample batches sent to the laboratory and a systematic re-assaying of samples returning values above 3 g/t Au by fire-assay using a gravimetric finish. As well, 5% of the pulps grading above 0.3 g/t Au are sent to Accurassay laboratories in Rouyn-Noranda for check assaying.*
5. *Pit-constrained resources are based on a Whittle-optimized pit shell using a gold price of US$1,250 per ounce and a calculated external lower cut-off of 0.4 g/t Au average strip ratio of 6.29 (excluding overburden),*
6. *Cut-off applied for Underground potential is 2.5 g/t Au.*
7. *The present estimates were done using Inverse Distance Cubed (ID3) interpolation as the geostatistical method based on 2.0 metre analytical composites. ID2 and Ordinary kriging interpolation have also been used for comparison with no significant variations in results.*
8. *All estimates are based on a block dimension of 10 metres E, 5 metres N and 5 metres height with estimation parameters determined by variography.*
9. *Geological interpretation based on lithologies, folds and mineralized shears, made from cross-sections at 6- to 12.5-metre intervals, identified, for the Marban deposit, a total of 94 mineralized low domains, of which 40 include higher-grade sub-domains, for a total of 134 distinct domains. The domains comprise stacked mineralized shears that strike east-west and dip 45 to 50 degrees north. Minimum width was set to three metres.*
10. *Calculations are based on original samples within mineralized domains capped to a maximum of 30 g/t Au for all low-grade domains and to a maximum of 45 to 80 g/t Au for the high-grade domains. Globally, about 0.25% of the population has been capped representing an apparent gold loss varying between 5 and 15% depending of the domains. All 2-metres composites are calculated based on cut original data. In addition to the assay capping, restrictions were placed during grade interpolation on the influence of high-grade composites in low grade mineral domains.*
11. *Tonnage estimates are based on average densities ranging from 2.70 to 2.86 t/m3 with a 2.80 t/m3 density for the basalt (the principal ore host), based on a total of 902 specific gravity measurements (624 for Marban and 278 for Kierens-Norlartic).*
12. *The ounces estimated into the modeled workings of the past-producing Marban and Norlartic mines were removed from the mineral resources;*
13. *The Norlartic potential pit has the Keriens Creek flowing over a portion of it. Current baseline environmental studies will assess the possibility of deviating it.*
14. *Global mineral inventories are not pit-constrained and, for reporting purposes here, represent mineralization extending to a depth of 400 metres below surface for the Marban deposit and 200 metres below surface for the Norlartic deposit.*
15. *The number of metric tonnes and ounces was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects.*

Orenada Mineral Resource Estimate

		Measured & Indicated			Inferred		
Orenada[(1)(2)]	Cut-off grade	Tonnes (T)[(3)]	Grade (g/t)	Ounces Au[(3)]	Tonnes (T)[(3)]	Grade (g/t)	Ounces Au[(3)]
Zone 4	**> 0.4 g/t Au (open pit)**	3,563,000	1.54	176,085	865,000	1.39	38,755
	> 2.0 g/t Au (underground)	191,000	3.00	18,437	326,000	3.34	34,955
	Total	3,754,000	1.61	194,522	1,191,000	1.92	73,710
Zone 2	**> 0.4 g/t Au (open pit)**	-	-	-	605,000	1.36	26,363
	> 2.0 g/t Au (underground)	-	-	-	283,000	2.88	26,186
	Total	-	-	-	888,000	1.84	52,549
Total	**> 0.4 g/t Au (open pit)**	3,563,000	1.54	176,085	1,470,000	1.38	65,118
	> 2.0 g/t Au (underground)	191,000	3.00	18,437	609,000	3.12	61,141
	Total	**3,754,000**	**1.61**	**194,522**	**2,079,000**	**1.89**	**126,259**

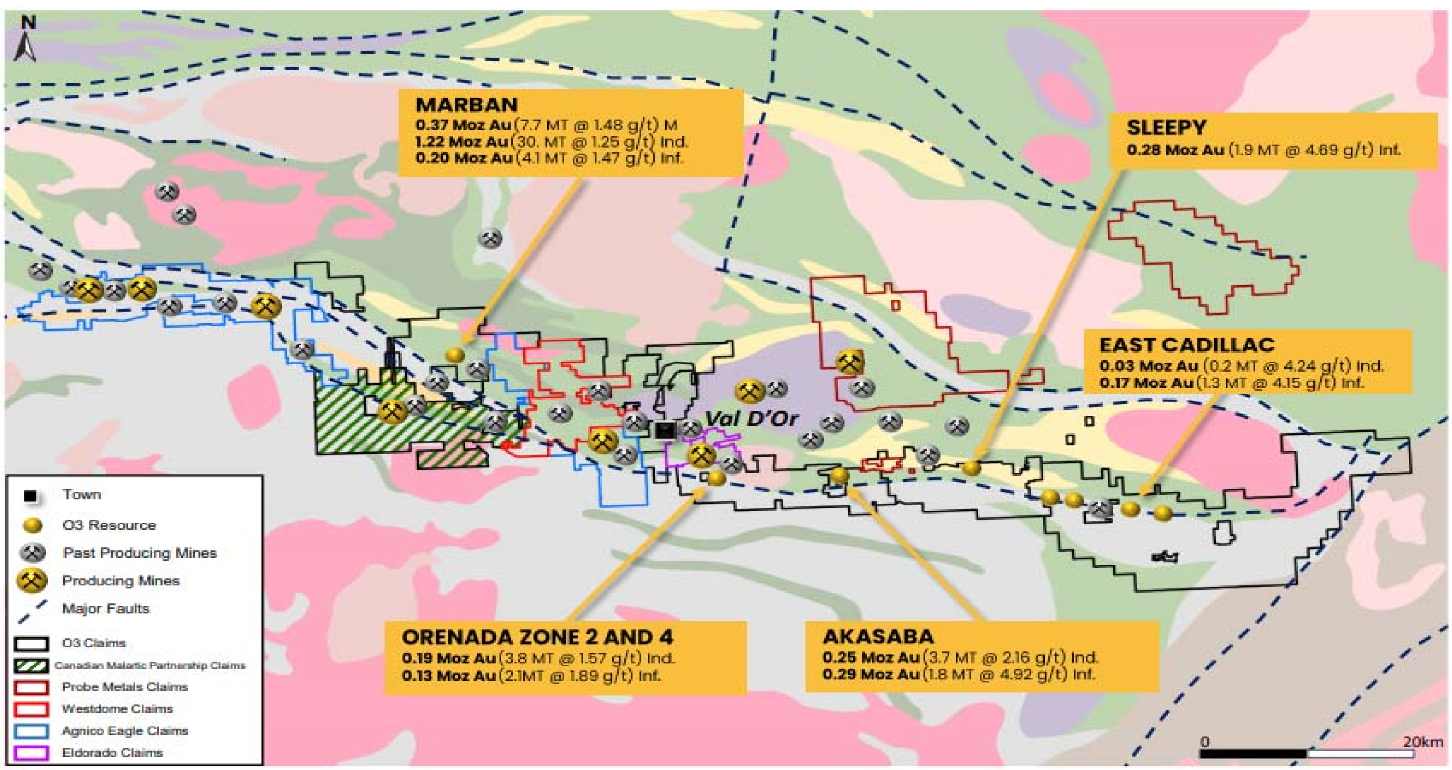
Orenada Resource Estimate notes:

1. *These mineral resources are not mineral reserves, as they do not have demonstrated economic viability.*
2. *Resources are presented undiluted and in situ for both open pit and underground potential scenarios and are considered to have reasonable prospects for economic extraction.*
3. *The number of metric tonnes and ounces was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects.*

Exploration

Exploration Strategy

O3 Mining is a mineral exploration company focused on the acquisition, exploration, and development of precious metal resource properties in Canada. O3 Mining's flagship projects are the Orenada group of properties as well as the Marban Block Project, all located along the Cadillac Break. In addition, O3 Mining owns a 100% interest in the Garrison Project east of Matheson, Ontario, as well as additional projects in the Timmins area of Ontario, the James Bay and the Labrador area of Québec and the Marban Block Properties, which are located 15 kilometres west of the town of Val-d'Or in the Abitibi region of Québec, Canada.



O3 Mining's mission is to become a premier gold exploration company in Canada and an emerging consolidator of exploration properties in prospective gold camps in Canada – focused on projects in Ontario and Québec – with a goal of becoming a multimillion-ounce, high-growth company.

SUMMARY OF MINERAL PROPERTIES

The Corporation's various gold mineral properties in Canada are summarized below:

Continuing Exploration Properties	Location	Transaction location status	Status
Alpha (Orenada/Bulldog/Airport)	Québec	O3 Mining - Alexandria	Owned 100%(1)
Alpha – Centremaque option	Québec	O3 Mining - Alexandria	Earn-in(1)(2)
Akasaba	Québec	O3 Mining - Alexandria	Owned 100%(1)
Sleepy	Québec	O3 Mining - Alexandria	Owned 100%(1)(3)
Harricana	Québec	O3 Mining – 9401-3513 Québec Inc. (formerly Harricana Mining)	Owned 100%(4)
Matachewan-Wydee	Ontario	O3 Mining – Alexandria	Earn-in(1)(13)
Kinebik Gold Project	Québec	O3 Mining - CGMQ	Owned 100%(5)
East Cadillac Project	Québec	O3 Mining - CGMQ	Owned 100%(5)
East Cadillac Project -Renforth option	Québec	O3 Mining - CGMQ	Earn-in (5)(6)
East Cadillac Project – Globex option	Québec	O3 Mining - CGMQ	Earn-in(5)(7)
Kan Project – James Bay	Québec	O3 Mining	Owned 100%
Éléonore Regional Project – James Bay	Québec	O3 Mining	Earn-in(8)
Éléonore JV – James Bay	Québec	O3 Mining	Earn-in(8)(9)
Ashuanipi	Québec	O3 Mining	Earn-in(8)(10)
Other – James Bay	Québec	O3 Mining	Earn-in(8)
FCI – Corvette Lithium Project	Québec	O3 Mining	Owned 100%(8)(11)
Éléonore-Opinaca	Québec	O3 Mining	Owned 100%
Tortigny	Québec	O3 Mining	Owned 100%
Launay	Québec	O3 Mining	Owned 100%
Marban Block	Québec	O3 Mining	Owned 100%
Garrison Block	Ontario	O3 Mining	Owned 100%(12)
Hemlo	Ontario	O3 Mining	Owned 100%

Notes:

1. *Acquired upon the acquisition of Alexandria on August 1, 2019*
2. *O3 Mining has an earn-in right of up to 80% of the property, which is currently owned by Golden Valley Mines*
3. *Probe Metals has an earn-in right of up to 60% of the property*
4. *Acquired upon the acquisition of Harricana Mining on August 23, 2019*
5. *Acquired upon the acquisition of CGMQ on July 25, 2019*
6. *O3 Mining has an earn-in right of up to 80% of the property, which is currently owned by Renforth Resources Inc.*
7. *O3 Mining has an earn-in right of up to 100% of the property, which is currently owned by Globex Mining.*
8. *O3 Mining holds an earn-in right in respect of these properties, which are currently owned by Osisko GR.*
9. *Midland Exploration Inc. owns 50% of the project.*
10. *Osisko Metals has an earn-in right of up to 50% of the property.*
11. *Subject to a 50% earn-in in favour of 92 Resources Corp. ("92 Resources").*
12. *Owned 100% except for Gold Pike Project which is owned 60%.*
13. *Prosper Gold Corp*. has the right to earn up to 75% interest on the property.

MINERAL RESOURCES

The Corporation's global mineral resources are summarized below:

CATEGORY	TONNES (MT)	AU GRADE (G/T)	AU (M OZ)
MEASURED			
MARBAN[(3)]	7.7	1.48	0.37
GARRISON[(4)]	22.2	1.12	0.80
	29.9	**1.21**	**1.16**
INDICATED			
MARBAN[(3)]	30.5	1.25	1.22
GARRISON[(4)]	21.4	1.12	0.77
ORENADA[(5)]	3.8	1.57	0.19
AKASABA[(6)]	3.7	2.16	0.25
EAST CADILLAC[(7)]	0.2	4.24	0.03
	59.6	**1.29**	**2.47**
TOTAL M&I			
MARBAN[(3)]	38.2	1.29	1.59
GARRISON[(4)]	43.6	1.12	1.57
ORENADA[(5)]	3.8	1.57	0.19
AKASABA[(6)]	3.7	2.16	0.25
EAST CADILLAC[(7)]	0.2	4.24	0.03
	89.5	**1.26**	**3.64**
TOTAL INFERRED[(2)]			
MARBAN[(3)]	4.1	1.47	0.20
GARRISON[(4)]	10.3	1.28	0.42
ORENADA[(5)]	2.1	1.89	0.13
AKASABA[(6)]	1.8	4.92	0.29
EAST CADILLAC[(7)]	1.3	4.15	0.17
SLEEPY[(8)]	1.9	4.69	0.28
	21.5	**2.14**	**1.48**

Notes:

1. *Global mineral inventories are not pit-constrained*
2. *Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. Mineral resources are not mineral reserves and do not have demonstrated economic viability.*
3. *Information relating to the Marban Block Project is supported by the Marban Resource Estimate.*
4. *Information relating to the Garrison Block Properties is supported by the Garrison Resource Estimate.*
5. *Information relating to the Orenada Project is supported by the Orenada Resource Estimate.*
6. *Information relating to the Akasaba Project is supported by the Akasaba Resource Estimate*
7. *Information relating to the East Cadillac Gold Project is supported by the East Cadillac Resource Estimate.*
8. *Information relating to the Sleepy Lake Property is supported by the Sleepy Lake Resource Estimate.*

MINERAL PROPERTY ACTIVITIES

Cadillac Break Group – Alpha (Orenada), Akasaba and Sleepy

The Cadillac Break Group properties, consisting of the Alpha Group (Orenada), Akasaba Group and Sleepy Group, have been explored by various operators since the early 1930's, with more than 2,400 drill holes completed since that time. Other work includes multi-property geophysical and geochemical programs, and trenching and mapping, all of which are being compiled into a single database. Discoveries in the region (Lapa and Goldex), at depths between 500 m and 1,500 m, show that the Cadillac Break Group of properties are highly under-explored, as most recent drilling has been in the upper 150 m over the whole package, only locally testing down to 300 m depth.

The Cadillac Break Group is the results of a consolidation of several historical properties located in the Bourlamaque, Louvicourt and Vaquelin Townships. The initial 14 properties came from two property agreements in late 2006 from Aur Resources Corp. (Teck Cominco) and Cambior Inc. (IAMGOLD Corp.). In addition, previous operator staked or acquired the remaining properties subsequent to the initial purchase.

The Corporation holds a 100% interest in all these properties, subject to NSR of between 1% to 2.5%, depending on the claim. A portion of these NSR's can be purchased for between $200,000 and $1,000,000.

During the year ended April 30, 2016, Alexandria sold NSRs of 1% on select claims and assigned existing royalty buy-back rights between 1% and 2% NSR on certain other claims in the Val-d'Or area for proceeds of $300,000

The Alpha group of claims includes several significant golds showing (airport, Mid-Canada, Ducros, Bulldog) as well as the Orenada Zone 2 and Zone 4 Gold deposits which is located 8 kilometers east of Val-d'Or and 3 kilometers south of the Eldorado South Lamaque mine. The Alpha group of claims cover more than 3,891 hectares and strides 10 kilometers of the prolific Cadillac Break. The Bulldog showing discovered in late 2018 will be the focus of the upcoming drilling program.

In 2012, the Alexandria has optioned one claim from the airport area located at the western edge of the Alpha group to Integra Gold Corp. Alexandria retains a 2% NSR, one half of which may be purchased for $1,000,000.

The Akasaba group of claims is the host of the main Akasaba deposit and of the Valdora and Sabourin Creek gold showings. The project covers more than 3863 hectares and 112 claims. During the year ended April 30, 2014, the Alexandria sold the mineral rights of 14 mining claims, which formed part of the Sabourin Creek and Akasaba properties, to Agnico Eagle Mines Limited ("Agnico") for gross proceeds of $5,000,000, resulting in a gain on disposition of mining rights of $3,029,650.

In addition to the lump sum payment of $5,000,000, the following terms also apply to the sale:

- Alexandria has been granted a 2% NSR on any metal production after 210,000 ounces of gold have been produced;
- Agnico retained the right to purchase one-half of the royalty, or 1%, by paying the sum of $7,000,000 to Alexandria, and retained the right of first refusal for the remaining 1% NSR;
- Agnico is responsible for the underlying (pre-existing) royalties on the claims; and
- Alexandria retains the right of first offer to re-acquire the claims following mining and reclamation for the sum of $1.

In May 2018, the Alexandria disposed of its 2% NSR. The royalty, originally obtained on the sale of certain property rights to Agnico Eagle Mines Limited, was sold to Metalla Royalty and Streaming for $250,000.

The Sleepy group is 100% owned by the Corporation. As of September 30, 2019, the property comprises 232 individual claims covering an aggregate area of approximately 7408 hectares. On November 28, 2016, Alexandria entered into a binding agreement with Probe Metals Inc. ("Probe Metals") which sets forth the terms of an exploration earn-in on the property. In order to earn a 60 % interest on the Sleepy group Probe must commit: (i) $5 000 000 in work expenditures over a period of 4 years and (ii) $300,000 common shares due upon signing.

Following the completion of the exploration earn-in, O3 Mining and Probe Metals will enter into a joint venture agreement in respect of the property with Probe Metals maintaining a 60% interest and O3 Mining maintaining a 40% interest. Probe Metals can earn an additional 10% interest on the Sleepy group by completing a prefeasibility study (1 million ounces), incurring $2,000,000 in exploration expenditures and issuing 200,000 common shares.

Exploration Activity

On June 6, 2018, Alexandria announced a new updated mineral resource estimate at Orenada containing 3,754,000 tonnes of indicated mineral resources with an average grade of 1.61 g/t Au for 194,522 ounces of contained gold and 2,079,000 tonnes of inferred mineral resources with an average grade of 1.89 g/t Au for 126,259 ounces of contained gold.

Results from the winter 2018 drilling campaign have demonstrated the presence of high-grade gold zones over 5 km along the Cadillac fault west of the Orenada Zone 4, including the discovery of a new high-grade shear zone, the Bulldog Zone with intersected gold grades up to 10.50 m @ 6.20 g/t Au including 4.50 m @ 10.87 g/t Au (OAX-18-245), 5.20 m @ 7.20 g/t Au (OAX-18-254) and 8.30 m @ 5.15 g/t Au (OAX-18-259).

Since the beginning of 2019, Probe Metals continued its work program on the Sleepy property (Option Agreement to earn 60% interest in the property), which included geophysics to enhance known mineralization trends and to identify new areas of interest, and drilling. The 2019 drill program consisted of 19 drill holes totaling approximately 6,700 metres, assays are still pending. As of September 30, 2019, Probe has spent approximately $2.4 million in Exploration Expenses on the Cadillac Break East property.

Alpha (Centremaque Property)

During the year ended April 30, 2017, Alexandria entered into an option agreement with Golden Valley Mines ("Golden Valley"), enabling Alexandria to earn 80% in the Centremaque Property. O3 Mining may earn 80% in the property by issuing treasury shares of O3 Mining to Golden Valley over a four-year period from the date of signing with a total value of $250,000, and by conducting exploration activities totalling $4 million over the same four-year period. The price of the shares, and therefore the number of shares to be issued, is determined by reference to the market price at the time each tranche is due. Upon the 80% earn-in, the two companies will form a joint venture to further explore, and if warranted, develop the property. Once the 80% interest is vested for O3 Mining, Golden Valley will have a 20% free-carried interest. In addition, Golden Valley retains a 1.5% NSR, of which 0.5%, or a third, may be purchased by Alexandria for $1,000,000.

The shares are to be issued and exploration activities completed as follows:

- Upon exchange approval, Alexandria to issue treasury shares equal to $25,000 (issued);
- Prior to April 20, 2018, Alexandria to issue treasury shares equal to $25,000 and meet expenditure requirement of $250,000 (issued and met);
- Prior to April 20, 2019, Alexandria to issue treasury shares equal to $30,000 and meet expenditure requirement of $500,000; (issued and met)
- Prior to April 20, 2020, O3 Mining to issue treasury shares equal to $50,000 and meet expenditure requirement of $1,250,000;
- Prior to April 20, 2021, O3 Mining to issue treasury shares equal to $100,000 and meet expenditure requirement of $2,000,000.

Exploration Activity

On February 12, 2019, Alexandria announced the results from nine additional holes from the winter 2018 diamond drill program from a new gold discovery, the South Cadillac Discovery (Centremaque and Airport areas), located within Alexandria's Val-d'Or Project, Québec. The following are highlights of the samples received:

Airport:

- Drill hole AAX-18-051 has intersected 2.40 m @ 9.69 g/t Au included in a larger envelope @ 22.75 m @ 1.86 g/t Au
- Drill hole AAX-18-054 intersected 3.90 m @ 3.45 g/t Au included in a larger envelope at 14.50 m @ 1.69 g/t Au Centremaque
- Drill hole CAX-18-006 intersected 3.55 m @ 5.32 g/t Au, included in a larger envelope at 21.1 m @ 2.03 g/t Au

During the last quarter ending September 30, 2019, O3 Mining's drill program have targeted the new discovered gold zones on Centremaque and Bulldog targets. The Corporation completed 4 drill holes totalling 1,679 metres at Centremaque and 5 drill holes totalling 2,028 metres at bulldog.

On October 21, 2019, the Corporation released new results from the drilling program on the Centremaque property. The new drill intercepts confirm the extension of the Bulldog mineralized structure and demonstrate the potential of the gold-bearing structure in the Pontiac sediments.

New analytical results include: 18.8 g/t Au over 1.3 metres in O3-C-19-011; 5.30 g/t Au over 1.9 metres in O3-C-19-010 and 3.65 g/t Au over 2.25 metres in O3-C-19-008. Further results are expected in the fourth quarter of 2019.

Matachewan-Wydee Property

The Wydee-Matachewan project is in the vicinity of Young Davidson Mine complex approximately 6 km west-northwest of the town of Matachewan, Ontario and covers a total of 86 claims. The project is 100% owned by O3 mining and is subject to a earn-in in favor of Prosper Gold Corp ("Prosper Gold"). According to the agreement, Prosper Gold may earn a 75% interest in the property by funding exploration expenditures of $5 000 000 ($ 2,500,000 over Wydee and $2,500,000 over Matachewan) and by issuing 750,000 common shares over a 5-year period. Prosper Gold may earn an additional 15 % interest upon completion of a NI 43-101 resource calculation of 1.5 million ounces (750,000 ounces over Wydee and 750,000 ounces over Matachewan.

Exploration Activity

Prosper Gold has completed prospecting and surface sampling as well as 2,937 meters of diamond drilling at the Matachewan Project during 2019. Further drilling is expected to take place over the following 12 months.

Harricana Property

The Harricana property is located 9 km northeast of the town of Val-d'Or, on the eastern shore of the Blouin Lake, and hosts the Aurbel deposit (non NI 43-101 compliant). The Harricana property is 100% owned by the Corporation and is comprised of 117 individual claims and 3 878 hectares. The property was acquired upon the acquisition Harricana Mining on August 23, 2019.

Kinebik Property

The Kinebik Project is located in northern Québec, halfway between the towns of Lebel-sur-Quevillon and Matagami. The property covers greater than 30 km of strike along the Casa Berardi Fault which host the Casa Berardi gold deposit. The project consists of 348 single cells and is 100% owned by the Corporation. The property was acquired upon the acquisition of CGMQ on July 25, 2019.

East Cadillac Property

The East Cadillac property is located more than 35 km east of the town of Val-d'Or and compromised two earn-in agreements in addition to the ground wholly owned by O3 Mining. The property consists of 370 single claims covering more than 18,328 hectares and nearly 15 km of the eastern extension of the Cadillac Break. The property hosts the Nordeau West deposit, located 1,500 metres east of the former Chimo Mines held by Ressources Cartier Inc.

On November 1, 2016, CGMQ entered into an option agreement with Globex Mining Enterprises Inc. on the Nordeau Project. O3 Mining may acquire a 100% interest (except certain claims where Globex has a 60% interest) by making annual option payments totalling $590,000 over four years and funding exploration expenditures of $2.5 million also over a four-year period. Upon exercising the option, O3 Mining will grant a 3% gross metal royalty to Globex. O3 Mining has the right to withdraw (with no minimum expenditure commitment) without earning an interest in the Nordeau Project at any time.

On May 21, 2018, CGMQ entered into a binding agreement with Renforth Resources on the Denain-Pershing Project. O3 Mining may earn an 80% interest in the project by making total option payments of $200,000 and funding exploration expenditures of $1.25 million over a period of three years. The claims are subject to a 3 % NSR (including 3rd party royalties) with a 1% buy-back right for $1,000,000.

A third option agreement was signed in 2017 with Pershimex Resources Inc. (formerly Khalkos Exploration Inc.) on the Forsan Gold project. O3 Mining may earn a 70% interest in the Project by making total option payments of $375,000 to and funding exploration expenditures of $1.75 million over a period of five years. Subsequent to the reporting period, the Corporation withdrew from the option agreement without earning any interest in the project.

Garrison Block Properties

i) Garrcon Project

The Garrcon Project is 100% owned by O3 Mining and covers approximately 788 hectares in the prolific Abitibi Greenstone Belt in Ontario, Canada. The property consists of 67 contiguous mining claims, 63 patented and 4 cell claims. Of the 67 claims, 35 claims are subject to a 2% NSR royalty. In addition, 12 of the 35 patented claims acquired are subject to a prior NSR royalty of 1.5% from mineralized material mined above 400 feet vertically, and a 2% NSR royalty from mineralized material mined below that elevation. In addition, two of the four cell claims are subject to a 1% NSR royalty, which the Corporation shall have the right to for $250,000. A further single cell claim is subject to a 1% NSR royalty, 0.5% of which the Corporation shall have the right to acquire for $250,000. An additional 20 patented claims to the south of the known resource are subject to a 2% NSR royalty, 0.5% of which the Corporation shall have the right to repurchase for $1 million. The vendor retains a back-in right for up to 51% interest in the claims should a resource totaling 4 million ounces be identified on the claims. Such back-in right would trigger a cash reimbursement to the Corporation equal to double the exploration costs incurred since the date of the arrangement. Some of the claims are subject to an additional 1.5% NSR royalty under previous option agreements entered into by the vendor. The remaining eight patented claims are subject to a 1% NSR royalty.

ii) Jonpol Project

The Jonpol Project is 100% owned by the Corporation and is located on the same property as the Garrcon Project in the prolific Abitibi Greenstone Belt in Ontario, Canada.

iii) Buffonta Project

The Buffonta Project is 100% owned by the Corporation and covers approximately 2,394 hectares in the prolific Abitibi Greenstone Belt in Ontario, Canada. The property consists of 147 contiguous mining claims. 71 claims are subject to a 3% NSR royalty, 0.5% of which the Corporation shall have the right to repurchase for $1 million.

iv) Gold Pike Project

The Gold Pike Project covers approximately 468 hectares in the prolific Abitibi Greenstone Belt in Ontario, Canada and is 40-60% owned by the Corporation. The property consists of 18 contiguous mining claims: eight cell claims 100% owned by the Corporation (subject to a 2.0% NSR of which the Corporation has the right to repurchase 1% for $1 million); and 10 leases under two separate agreements. Eight leases, 60% owned by the Corporation, are subject to a 2% NSR royalty, 1% of which the Corporation has the right to repurchase for $1 million. The remaining two leases are 40% owned and subject to a 2% NSR, 1% of which the Corporation as the right to repurchase for $500,000. The property has an annual $25,000 advance royalty payment.

Exploration Activity

On February 19, 2019, Osisko Mining released the Garrison Resource Estimate, which added approximately 370,000 ounces of gold to the measured and indicated mineral resource categories and provided the first mineral resource estimate for the 903 Zone.

Marban Block Properties

i) Marban Project

The Marban Project is 100% owned by O3 Mining and is the result of an amalgamation of the former Marban, First Canadian, Norlartic and Gold Hawk claims. The Marban Block Properties are located about 15 kilometres west of the town of Val-d'Or in the Abitibi region of Québec, Canada and consist of 30 mining claims and three mining concessions covering 1,023 hectares.

The Marban claims are subject to a 1% to 1.5% NSR royalty. The First Canadian claims are subject to a 10% net profits interest. The vendor retained a 0.5% NSR royalty on the Marban claims, a 1% NSR royalty on the First Canadian claims and a 2% NSR royalty on the Norlartic claims. The project also has two mining claims known as the Gold Hawk claims which are subject to a 2% NSR royalty.

ii) Malartic Project

The Malartic Project includes the Camflo West, the Malartic Hygrade, the Malartic Hygrade-NSM and the Malartic H Properties. The properties are located to the northeast of the town of Malartic, in the Abitibi region of Québec, Canada. The Malartic Project consists of 139 mining claims and one mining concession covering 6,263 hectares. The Camflo West claims are subject to various NSR royalties ranging from 1.5% to 3.0%, certain of which, or portions thereof, can be repurchased by the Corporation for payments ranging from $200,000 to $1.5 million. The Malartic H claims are 85% owned by the Corporation and the remaining 15% of the Marlartic H claims can be purchased by the Corporation for $25,000.

iii) Siscoe East Project

The Siscoe East Property is located in the Vassan Township in the Abitibi region of Québec, Canada. The Corporation owns a 100% interest in the claims covering the Siscoe East Property. Some claims are subject to a 2% NSR, 50% of which may be repurchased by the Corporation for a total of $2.8 million.

iv) Héva Project

The Héva Property, located 42 kilometres northwest of the city of Val-d'Or, and the Val-d'Or Property, located south of the limit of the town of Val-d'Or, in the Abitibi region of Québec, Canada. Some of the claims of the Héva Property are subject to a 1.5% NSR, 50% of which may be repurchased for $200,000. On August 7, 2018, O3 Mining entered into an agreement with Kintavar Exploration Inc. ("Kintavar") whereby O3 Mining sold its NSR royalty interests in 21 claims in exchange for 131,578 common shares of Kintavar with a total fair value of $50,000.

James Bay Properties

On October 5, 2016, Osisko Mining announced that it had entered into an earn-in transaction with Osisko Gold Royalties Limited ("Osisko Royalties"). O3 Mining replaced Osisko as a party to the agreement on completion of the Reverse Take-Over. Under the terms of the earn-in agreement ("Osisko Royalties Earn-In Agreement"), the Corporation may earn a 100% interest in 28 exploration properties held by Osisko Royalties, which are located in the James Bay area, Québec and the Labrador Trough area (the "Earn-In Properties") upon incurring exploration expenditures totaling $32 million over the seven-year term of the Osisko Royalties Earn-In Agreement; the Corporation will earn a 50% interest upon completing expenditures totaling $19.2 million. Osisko Royalties will retain an escalating NSR royalty ranging from 1.5% to a maximum of 3.5% on precious metals and a 2% NSR royalty on other metals and minerals produced from the Earn-In Properties. Additionally, any new properties acquired by the Corporation in the designated area during the seven-year term of the Osisko Royalties Earn-In Agreement may also be subject to a royalty agreement in favour of Osisko Royalties with similar terms and subject to certain conditions. On February 16, 2017, Osisko Mining and Osisko Royalties amended and restated the Osisko Royalties Earn-In Agreement, pursuant to which the Kan Project was carved-out into a separate earn-in agreement (the "Kan Earn-In Agreement"). Under the terms of the Kan Earn-In Agreement, O3 Mining shall incur $6 million over the seven-year term of the Kan Earn-In Agreement; the Corporation will earn a 50% interest upon completing expenditures of $3.6 million over a four-year term. The entire commitment on the remainder of the Earn-In Properties has been reduced by the same amount and terms as the Kan Earn-In Agreement. On December 15, 2017, Osisko Mining and Osisko Royalties entered into an amendment to the Osisko Royalties Earn-In Agreement (as assigned to O3 Mining on completion of the Reverse Take-Over) to extend until December 31, 2018 the Corporation's firm commitment to spend $4.1 million of exploration expenditures on all the properties. During the period ended September 30, 2019, all required amounts were spent.

i) Kan Project

The Kan Project is located within the Labrador Trough, approximately 80 kilometres southwest of Kuujuuaq, Québec. It covers approximately 40 kilometres of favorable stratigraphy that includes silicate-carbonate iron formations, thick metal-rich black shales units, gabbros and turbidites. The Kan Project surface was reduced to 2,321 claims (30,790 hectares). 209 claims of the total claims are subject to a 2% NSR royalty in favour of Les Ressources Tectonic Inc., 0.5% of which may be purchased for $750,000 at any time by Osisko Royalties and an additional, 0.5% of which may be purchased for $750,000 by Altius Resources Inc. In addition, Osisko Royalties holds a royalty over the total 2,276 claims on the production of precious metals for a minimum of a 1.5% NSR royalty and a maximum of a 3.5% NSR royalty and a 2.0% NSR royalty on all other metals provided. However, if there is an existing royalty applicable on any portion of the claims, the royalty percentages shall, as applicable, be adjusted so that the aggregate maximum royalty percentage on such portion shall not exceed a 3.5% NSR royalty at any time.

In 2017, Osisko Mining entered into an earn-in agreement with Barrick Gold Corporation ("Barrick"), which sets forth the terms of an exploration earn-in on the Kan Project. The agreement was assigned to O3 Mining on completion of the Reverse Take-Over. Under the exploration earn-in with Barrick in relation to the Kan Project, Barrick must commit $15 million in work expenditures over a four year period to earn a 70% interest on the Kan Project, subject to certain annual work expenditure thresholds, including a guaranteed expenditure threshold of $6 million in the first two years.

Upon the completion of the exploration earn-in with Barrick, the property would be transferred to a new joint venture entity to be owned 30% by O3 Mining and 70% by Barrick. O3 Mining and Barrick will then enter into a joint venture agreement in respect of the property. In addition, Barrick may earn a further 5% interest in the joint venture entity (for a total interest of 75%) by electing to fund an additional $5 million of project level expenditures (such as a preliminary economic assessment or pre-feasibility study). On November 13, 2018, Osisko Mining received a written notice where Barrick has elected to terminate the earn-in right and that Barrick has elected not to proceed with further exploration expenditures and therefore terminated the agreement.

Exploration Activity

No exploration activity was performed during the period ended September 30, 2019 on the Kan Project.

ii) Éléonore-JV Project

The Éléonore-JV Project was significantly reduced to 578 claims (30,281 hectares), which is 50%, owned by Midland Exploration Inc., and is located 25 kilometres southeast and 20 kilometres northwest of the Éléonore Gold Mine in the Opinaca Reservoir area of the James Bay territory. The project is subject to a 0.5% NSR royalty in favour of Osisko Royalties and to a 0.5% NSR royalty in favor of Midland Exploration Inc. No exploration work is planned on the project in 2019.

iii) Other – James Bay

Trieste Project

The Trieste Project consists of 304 claims (>15,688 hectares) and is located 60 kilometres northwest of the Renard Diamond Mine of the James Bay territory.

Escale Project

The Escale Project consists of 129 claims (6,497 hectares) and is located 75 kilometres southeast of the LG-4 Power Dam in the James Bay region. The project is subject to a 0.5% NSR royalty to Sirios Resources Inc., which may be repurchased by the Corporation for $500,000. 11 claims are subject to a 1% NSR royalty in favour of Newmont Mining Corp. without a buyback option.

Eastmain East Project

The Eastmain East Project consists of 54 claims (2,740 hectares) and is located 100 kilometres east of the Renard deposit in the James Bay region.

FCI – Corvette Lithium Project

The FCI – Corvette Lithium Project covers 28 claims covering 1,434 hectares and is located within the James Bay Greenstone Belt in Northern Québec, Canada. The FCI – Corvette Lithium Project is subject to a 1.5% to 3.5% NSR. On August 27, 2018, Osisko Mining entered into a binding agreement with 92 Resources, which sets forth the terms of an exploration earn-in on the property. Under the exploration earn-in, 92 Resources must commit $2,250,000 in work expenditures over a three-year period to earn a 50% interest on the FCI-Corvette Lithium Project, subject to certain annual work expenditure thresholds, including a guaranteed expenditure threshold of $250,000 in the first year. Upon signing on August 27, 2018, and as further consideration for the granting of the exploration earn-in, 92 Resources issued 1 million common shares of 92 Resources to Osisko Mining at a fair value of $60,000. An additional 1 million common shares of 92 Resources was issued to the Corporation on the first anniversary.

Following the completion of the exploration earn-in, the FCI – Corvette Lithium Project will be transferred to a new joint venture entity to be owned 50% by O3 Mining and 50% by 92 Resources. O3 Mining and 92 Resources will then enter into a joint venture agreement in respect of the project. In addition, 92 Resources may earn a further 25% interest in the joint venture entity (for a total interest of 75%) by electing to fund an additional $2 million of project level expenditures (such as a preliminary economic assessment or pre-feasibility study).

Ashuanipi Project

The Ashuanipi project covers 185 claims and is located within the James Bay in Northern Québec, Canada. The Ashuanipi project is subject to a 1.5% to 3.5% NSR. On August 27, 2019, O3 Mining entered into a binding agreement with Osisko Metals which sets forth the terms of an exploration earn-in on the property. Under the exploration earn-in, Osisko Metals must commit $3,500,000 in work expenditures over a two-year period to earn a 50% interest on the Ashuanipi Project including a guaranteed firm commitment of at least $1,500,000 on or before the first anniversary of the closing date.

Following the completion of the exploration earn-In, the Ashuanipi Project will be transferred to a new joint venture entity to be owned 50% by O3 Mining and 50 % by Osisko Metals. O3 Mining and Osisko Metals will then enter into a joint venture agreement in respect to the project. In addition, Osisko Metals may earn a further 25% interest in the joint venture entity, for a total interest of 75% by funding the next $5,000,000 of expenditures during the two years commencing on the Joint Venture date.

Tortigny Property

Osisko Mining acquired the Tortigny Property through the acquisition of Beaufield Resources Inc. ("Beaufield"), which was completed on October 19, 2018. The Tortigny Property was transferred to O3 Mining on completion of the Reserve Take-Over and is 100% owned by the Corporation. The Tortigny Property is located approximately 100 kilometres north of the town of Chibougamau, Québec and is subject to a 1% to 2% NSR royalty.

Launay Property

Osisko Mining acquired the Launay Property through the acquisition of Beaufield, which was completed on October 19, 2018. The Launay Property was transferred to O3 Mining on completion of the Reserve Take-Over and is 100% owned by the Corporation. The Launay Property is located in the Abitibi Greenstone Belt, Québec and is subject to a 1.5% NSR royalty.

EXPLORATION AND EVALUATION ASSETS EXPENDITURES

The Corporation's expenditures on exploration and evaluation assets for the period ended September 30, 2019, were as follows (in thousands of Canadian dollars):

	December 31, 2018	Acquisitions in the period	Additions in the period	September 30, 2019
Kan - James Bay	$ -	$ 200	$ -	**$ 200**
Éléonore – James Bay	-	200	-	**200**
Éléonore JV – James Bay	-	200	-	**200**
Other – James Bay	-	150	107	**257**
FCI - Corvette Lithium	-	(57)	-	**(57)**
Éléonore Opinaca	-	1,000	-	**1,000**
Tortigny	-	1,000	-	**1,000**
Launay	-	1,000	-	**1,000**
Marban Block	-	61,444	60	**61,504**
Garrison Block	-	22,720	259	**22,979**
Hemlo	-	250	1	**251**
Cadillac Break	-	31,633	381	**32,014**
Harricana	-	1,631	2	**1,633**
East Cadillac Break	-	9,414	378	**9,792**
Total exploration and evaluation assets	**$ -**	**$ 130,785**	**$ 1,188**	**$ 131,973**

Significant additions during the period ended September 30, 2019 are described by category in the following table (in thousands of Canadian dollars):

For the period ended September 30, 2019	**Other – James Bay**	**Marban - Marban Block**	**Garrcon- Garrison**	**Cadillac Break**
Property costs	$ 29	$ 10	$ (71)	$ (1)
Camp costs	-	1	21	12
Project management	-	4	8	24
Drilling	54	43	-	329
Permitting	-	-	69	-
Geology	24	2	19	17
Feasibility study and preliminary economic assessment	-	-	7	-
Environmental	-	-	206	-
Total additions	**$ 107**	**$ 60**	**$ 259**	**$ 381**

For the period ended September 30, 2019	**Hemlo**	**Harricana**	**East Cadillac Break**	**Total**
Property costs	$ 1	$ 2	$ 350	**$ 320**
Camp costs	-	-	2	**36**
Project management	-	-	4	**40**
Drilling	-	-	22	**448**
Permitting	-	-	-	**69**
Geology	-	-	-	**62**
Feasibility study and preliminary economic assessment	-	-	-	**7**
Environmental	-	-	-	**206**
Total additions	**$ 1**	**$ 2**	**$ 378**	**$ 1,188**

During the period ended September 30, 2019, the majority of spending took place on the acquisition of Alexandria, Harricana Mining and CGMQ. There was some exploration activity on Garrison property. Drilling commenced on the Centremaque area before the period ended September 30, 2019.

OUTLOOK

The operational outlook below and described herein reflects the Corporation's current operations.

O3 Mining's plan is to commence an aggressive exploration program to confirm, upgrade and expand its current resource estimates with a 50,000-metre drill program. O3 Mining is excited to initiate work in a world-class district that has historically produced over 30 million ounces of gold.

Drilling has commenced in the Centremaque area with the objectives of extending the current mineralization. Two additional drill rigs will be mobilized in the coming weeks on the recently discovered Bulldog zone, which has recently returned important gold values, including 10.87 g/t Au over 4.5 metres in hole OAX-18-245 (see Alexandria's news release dated December 11, 2018). The Bulldog zone was discovered at the end of 2018 and has seen no follow-up. Mineralization at Bulldog is hosted in strongly sheared and altered porphyry intrusions potentially analogous to Canadian Malartic. The Bulldog zone is open in all directions.

INVESTMENTS

The Corporation's assets included a portfolio of investments in public and private companies as at September 30, 2019. These investments were transferred to O3 Mining from Osisko Mining on July 5, 2019 concurrent with the closing of the Reverse Take-Over. The Corporation holds investments in various companies within the mining industry for investment and strategic purposes. In addition to investment objectives, in some cases, the Corporation may decide to take a more active role in the investee, including providing management personnel, technical and/or administrative support, as well as nominating individuals to the investee's board of directors.

Marketable Securities

The following table summarizes information regarding the Corporation's marketable securities as at September 30, 2019 and December 31, 2018 (in thousands of Canadian dollars):

As at	**September 30, 2019**
Balance, beginning of period	**$ -**
Additions	2,383
Acquisitions (note 5)	10,724
Disposals	(2,582)
Realized loss	(510)
Unrealized loss	(719)
Balance, end of period	**$ 9,296**

During the nine month period ended September 30, 2019, these shares were fair valued and this resulted in an unrealized loss of $719,000 (2018 – loss of $Nil). The Corporation sold shares during the nine month period ended September 30, 2019 which resulted in a realized loss of $510,000 (2018 – loss of $Nil).

RESULTS OF OPERATIONS

The following table summarizes the Corporation's Statement of Loss and Comprehensive Loss for the three and nine month periods ended September 30, 2019 and 2018 (in thousands of Canadian dollars):

	Three months ended		Nine months ended	
For the period ended	**September 30, 2019**	September 30, 2018	**September 30,**	September 30, 2018
Expenses				
Compensation expenses	$ 1,454	$ 15	$ 1,484	$ 80
General and administration expenses	536	22	602	56
General exploration expenses	31	-	31	-
Exploration and evaluation assets impairment (loss reversal)/loss	-	-	-	-
Flow-through premium income	(123)	-	(123)	-
Loss from marketable securities	1,229	-	1,229	-
Other income	(44)	-	(44)	-
Operating loss	**3,071**	**37**	**3,167**	**136**
Finance income	(160)	-	(160)	-
Finance costs	9	-	9	-
Net finance income	**(151)**	**-**	**(151)**	**-**
Loss before tax	**2,920**	**37**	**3,016**	**136**
Deferred income tax expense	(305)	-	(305)	-
Loss and comprehensive loss	**2,615**	**37**	**$ 2,711**	**$ 136**

Three-Month Period Ended September 30, 2019 as Compared to Three-Month Period Ended September 30, 2018

Loss and comprehensive loss increased by $2.6 million from $37,000 for the three-month period ended September 30, 2018 to $2.6 million for the three-month period ended September 30, 2019 due to the Reverse Take-Over that was completed in July. All the previous expenses were related to a shell company with minimal costs. The majority of the expenses in the quarter relate to loss from marketable securities as well as salaries and benefits of $1.45 million of which $1.38 million is stock-based compensation (non-cash expense) as options were granted to officers, senior employees and directors of the Corporation in the three-month period ended September 30, 2019.

General and administrative expenses in the three-month period ended September 30, 2019 totaled $536,000. The majority of the expenses were related to professional fees of $260,000 related to the transfer of agreements and consulting fees that were not related to the issuance of shares or the acquisition of the other companies during the period. As well, the Corporation incurred $175,000 of office expense mostly related to the purchase of new system, administration fees and the ongoing expenses of the multiple offices that were acquired during the three transactions that took place during the quarter.

Flow-through premium income was $123,000 during the three-month period ended September 30, 2019, compared to $Nil during the same period in 2018. This income was derived from the flow-through offering completed by Alexandria in 2018, combined with the amount of "Canadian exploration expenditures" that were spent during 2019. On the issuance of flow-through shares, a flow-through share premium liability is recognized. Upon the Corporation incurring flow-through eligible expenditures, the Corporation recognizes flow-through premium income and decreases the flow-through premium liability.

During the three-month period ended September 30, 2019, the Corporation maintained a portfolio of securities that were strategically invested in the marketable securities of exploration and development companies. As a result, the Corporation recognized an unrealized loss and realized loss in the period of $719,000 and $510,000, respectively. The realized loss was from the sale of several investments and the unrealized loss was a result of the Corporation marking to market its investments at period end. The Corporation had a fair market value of $9.3 million in marketable securities as at September 30, 2019, compared to $Nil as at December 31, 2018.

Nine Month Period Ended September 30, 2019 as Compared to Nine Month Period Ended September 30, 2018

O3 Mining's results of operations for the nine months ended September 30, 2019 resulted in a loss of $2.7 million, compared to a loss of $136,000 for the nine months ended September 30, 2018. The variance between the two nine-month periods is primarily due to the explanations as provided for the three-month period above.

Cash Flow

The Corporation is dependent upon raising funds in order to fund future exploration programs. See "*Liquidity and Capital Resources*" and "*Risks and Uncertainties*".

Operating Activities

Cash used in operating activities for the period ended September 30, 2019 totaled $2.3 million, compared to $174,000 in the same period in 2018. The increased inflows were primarily attributable to the net loss of $2.7 million for the period ended September 30, 2019, with adjustments for deferred income tax recovery of $305,000, flow-through premium income of $123,000, interest income of $160,000, stock-based compensation of $1.4 million, marketable securities loss of $1.2 million and changes in items of working capital of $1.7 million.

Financing Activities

Cash provided by financing activities was $26.7 million for the period ended September 30, 2019, compared with $264,000 in the same period in 2018.

Investing Activities

Cash used by investing activities for the period ended September 30, 2019 totaled $1.7 million, compared with $2,000 provided in the same period in 2018. In the period ended September 30, 2019, this outflow is primarily attributable to exploration and evaluation expenditures of $241,000, net cash and cash equivalents paid on asset acquisitions of $1.8 million, and acquisition of marketable securities of $2.4 million, and partially offset by proceeds on the disposition of marketable securities of $2.6 million and interest received of $160,000.

In management's view, the Corporation has sufficient financial resources to fund current planned exploration programs and ongoing operating expenses. As at September 30, 2019, the Corporation had cash of $22.8 million, compared to $93,000 as at December 31, 2018. The Corporation will continue to be dependent on raising equity or other capital as required unless and until it reaches the production stage and generates cash flow from operations. See *"Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Information"*.

SUMMARY OF QUARTERLY RESULTS

(in thousands of Canadian dollars)

For the period ended	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Financial results:				
Interest income	$ (160)	$ -	$ -	$ -
Loss	$ 2,615	$ 70	$ 26	$ 29
Loss per share*:				
Basic and diluted	$ 0.07	$ 0.12	$ 0.04	$ 0.05
Financial position:				
Working capital (non-IFRS measurement)**	$ 30,541	$ (37)	$ 32	$ 59
Exploration and evaluation assets	$ 131,973	$ -	$ -	$ -
Total assets	$ 168,162	$ 1,439	$ 81	$ 104
Share capital	$ 156,538	$ 2,827	$ 2,827	$ 2,827
Deficit	$ (7,643)	$ (5,028)	$ (4,958)	$ (4,932)
Number of shares issued and outstanding	46,174,122	600,249	600,249	600,249

** Basic and diluted loss per share is calculated based on the weighted-average number of common shares of the Corporation outstanding.*
*** Working capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section 18.*

(in thousands of Canadian dollars)

For the period ended	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Financial results:				
Interest income	$ -	$ -	$ -	$ -
Loss	$ 37	$ 68	$ 31	$ 75
Loss per share*:				
Basic and diluted	$ 0.06	$ 0.15	$ 0.07	$ 0.16
Financial position:				
Working capital (non-IFRS measurement)**	$ 87	$ (146)	$ (113)	$ (82)
Exploration and evaluation assets	$ -	$ -	$ -	$ -
Total assets	$ 108	$ 15	$ 27	$ 33
Share capital	$ 2,827	$ 2,563	$ 2,563	$ 2,563
Deficit	$ (4,903)	$ (4,866)	$ (4,798)	$ (4,766)
Number of shares issued and outstanding	600,249	465,249	465,249	465,249

** Basic and diluted loss/(earnings) per share is calculated based on the weighted-average number of common shares of the Corporation outstanding.*
*** Working capital is a non-IFRS measurement with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see section 18.*

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Corporation had a cash balance of $22.8 million (December 31, 2018 - $93,000) and working capital of $30.5 million (December 31, 2018 - $58,000). Cash and working capital increased from December 31, 2018, due to complete restructuring of the Corporation as well as two financings completed in the period ended September 30, 2019. The majority of the Corporation's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms.

The Corporation has no history of revenues from its operating activities. The Corporation is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. During the period ended September 30, 2019, the Corporation had negative cash flow from operating activities, and the Corporation anticipates it will have negative cash flow from operating activities in future periods.

The Corporation has, in the past, financed its activities by raising capital through equity issuances. Until O3 Mining can generate a positive cash flow position, in order to finance its exploration programs, the Corporation will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets and obtaining other non-equity sources of financing.

The Corporation believes it has sufficient cash resources and the ability to raise funds to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for the next 12 months. However, there is no guarantee that the Corporation will be able to maintain sufficient working capital in the future due to market, economic and commodity price fluctuations. See "*Risks and Uncertainties*".

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Corporation is committed to an annual $25,000 advanced royalty payment on the Gold Pike Project.

As of September 30, 2019, the Corporation has the following flow-through funds to be spent by December 31, 2020 (in thousands of Canadian dollars):

Closing Date of Financing	Province	Remaining Flow-through Funds
September 26, 2019	Québec	10,080
Total		**$ 10,080**

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

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

During the three and nine-month period ended September 30, 2019, management fees, geological services, rent and administration fees of $592,000 and $592,000 respectively (2018 - $nil and $nil, respectively) were incurred with Osisko Mining, a related company of the Corporation by virtue of Osisko Mining owning and controlling, greater than 50% of the issued and outstanding common shares of the Corporation. Also, Mr. John Burzynski, Chairman of the board of directors of the Corporation, serve as President and Chief Executive Officer of Osisko Mining and Jose Vizquerra President and CEO of O3 Mining is also a Director of Osisko Mining. Accounts payable and accrued liabilities to Osisko as at September 30, 2019 were $633,000 (2018 - $nil).

The following table summarizes remuneration attributable to key management personnel for the three and nine-month period ended September 30, 2019 and 2018:

	Three months ended		Nine months ended	
For the period ended	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Directors' fees	$ 89	$ -	$ 89	$ -
Stock-based compensation	705	-	705	35
Total	**$ 794**	**$ -**	**$ 794**	**$ 35**

OUTSTANDING SHARE DATA

As at November 8, 2019 the Corporation had the following securities outstanding: (i) 46,385,765 common shares of the Corporation; (ii) 2,622,499 stock options to purchase common shares of the Corporation at a weighted average exercise price of $3.06 per option; (iii) 5,487,818 common share purchase warrants outstanding at a weighted average exercise price of $4.41 per warrant; (iv) 390,000 restricted share units (the "RSU"). On a fully diluted basis, the Corporation would have 54,886,082 common shares of the Corporation issued and outstanding, after giving effect to the exercise of the options, warrants, and RSUs of the Corporation that are outstanding.

The following table summarizes the options outstanding and exercisable as at September 30, 2019:

	Options outstanding			Options exercisable		
Range of exercise prices per share ($)	Weighted-average remaining years of contractual Life	Number of stock options outstanding	Weighted average exercise price ($)	Weighted-average remaining years of contractual life	Number of stock options exercisable	Weighted average exercise price ($)
2.77 to 2.92	3.1	236,701	$2.77	3.1	236,701	$2.77
2.93 to 3.20	4.9	2,255,000	$3.07	4.9	751,676	$3.07
3.21 to 3.47	2.3	109,149	$3.33	2.3	109,149	$3.33
3.48 to 4.57	2.5	18,041	$3.60	2.5	18,041	$3.60
4.58 to 5.54	0.8	3,608	$5.54	0.8	3,608	$5.54
2.77 to 5.54	**4.6**	**2,622,499**	**$3.06**	**4.2**	**1,119,175**	**$3.05**

The following table summarizes the RSU outstanding and exercisable as at September 30, 2019:

	Number of RSUs
Oustanding at December 31, 2018	**-**
Granted	390,000
Oustanding at September 30, 2019	**390,000**

In May 2019, the Corporation established a deferred share unit (the "DSU") plan and a RSU Plan. Under the plans, the DSUs can be granted to non-executive directors and the RSUs can be granted to executive officers and key employees, as part of their long-term compensation package, entitling them to receive payout in cash or shares, or a combination of both. Should the payout be in cash, the cash value of the payout would be determined by multiplying the number of DSUs and the RSUs vested at the payout date by the five-day volume weighted average price from closing price of the Corporation's shares on the day prior to the payout date. Should the payout be in shares, each RSU and each DSU represents an entitlement to one common share of the Corporation.

The following tables summarize the warrants issued and outstanding as at September 30, 2019:

	Number of warrants	Weighted-average exercise price
Outstanding at December 31, 2018	**-**	**$ -**
Issuance of warrants on private placement	5,010,644	4.43
Issuance of warrants on acquisition of Alexandria	477,174	4.15
Outstanding at September 30, 2019	**5,487,818**	**$ 4.41**

On March 27, 2019 and June 27, 2019, the Corporation closed the first and second tranches, respectively, of its previously-announced private placement of an aggregate of 4,772,042 subscription receipts at a price of $3.88 per subscription receipt for aggregate gross proceeds of approximately $18,516,000. On July 5, 2019, in conjunction with the closing of the Reverse Take-Over, each subscription receipt was automatically converted into one unit of O3 Mining, with each unit comprised of one post-Consolidation common share of O3 Mining and one post-Consolidation warrant of O3 Mining. Each warrant is exercisable to acquire one additional common share of O3 Mining for a period of 36 months following the effective date of the Reverse Take-Over at an exercise price of $4.46 per warrant share.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Significant judgments in applying accounting policies

The areas that require management to make significant judgments in applying the Corporation's accounting policies in determining carrying values include, but are not limited to:

Income taxes

The Corporation is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation, including the judgments around the use of flow-through share financing. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Significant accounting estimates and assumptions

The areas that require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Impairment of non-financial assets

The Corporation assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Fair value of stock options and warrants

Determining the fair value of stock options and warrants involves estimates of interest rates, expected life of options and warrants, expected forfeiture rate, share price volatility and the application of the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based compensation is subjective and can impact profit and loss significantly. The Corporation has applied a forfeiture rate in arriving at the fair value of stock-based compensation to be recognized, reflecting historical experience. Historical experience may not be representative of actual forfeiture rates incurred.

Several other variables are used when determining the value of stock options and warrants using the Black-Scholes valuation model:

- **Volatility:** The Corporation uses historical information on the market price of peer companies to determine the degree of volatility at the date when the stock options are granted. Therefore, depending on when the stock options and warrants were granted and the year of historical information examined, the degree of volatility can be different when calculating the value of different stock options and warrants.

- **Risk-free interest rate:** The Corporation used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options and warrants. The risk-free interest rate will vary depending on the date of the grant of the stock options and warrants and their expected term.

CHANGES IN IFRS ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years ended after December 31, 2019. Many are not applicable or do not have a significant impact to the Corporation and have been excluded from the summary below.

New Accounting Standards Issued and Effective

IFRIC 23, Uncertainty over Income Tax Treatments (“IFRIC 23”)

In June 2017, the IASB issued IFRIC 23. IFRIC 23 clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 and requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it uses or plans to use in its income tax filing. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 and permits early adoption. The adoption of IFRIC 23 did not have a material impact on the consolidated financial statements.

IFRS 16, “Leases” (“IFRS 16”)

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after January 1, 2019.

The Corporation has applied IFRS 16 on January 1, 2019 for which there was no impact on the Company’s unaudited interim financial statements.

During the period the Corporation entered into lease agreements which was classified as finance leases and recognized the related lease liabilities. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities was 8%. using the lessee’s incremental borrowing rate. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities was 8%.

The associated right-of-use assets were measured at the amount equal to the lease liabilities. The recognized right-of-use assets relate to offices.

CORPORATE GOVERNANCE

Management and the board recognizes the value of good corporate governance and the need to adopt best practices. The Corporation is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The board has adopted a board mandate outlining its responsibilities and defining its duties. The board has four committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Sustainable Development Committee. Each committee has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources.

The board has also adopted a code of ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout and disclosure policies are also in place. For more details on the Corporation's corporate governance practices, please refer to O3 Mining's website (www.O3Mining.ca) and the statement of Corporate Governance contained in the Corporation's management information circular dated May 27, 2019.

The Corporation's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing and the securities industry. The board and each committee is scheduled to meet at least four times per year.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Corporation's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Corporation's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation used COSO 2013 when it designed its internal control framework.

The Corporation's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Corporation; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

As at September 30, 2019 there has not been any material change to internal controls over financial reporting for the year. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Corporation's internal controls over financial reporting. As of September 30, 2019, the Chief Executive Officer and Chief Financial Officer have each concluded that the Corporation's internal controls over financial reporting, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to achieve the purpose for which they have been designed. Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

NON-IFRS MEASURES

The Corporation has included a non-IFRS measure for "working capital" in this MD&A to supplement its financial statements, which are presented in accordance with IFRS. The Corporation believes that this measure provides investors with an improved ability to evaluate the performance of the Corporation. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, such measures may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The Corporation determines working capital as follows (in thousands of Canadian dollars):

Reconciliation for the period ended	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**
Current assets	35,415	1,439	81	104
Less current liabilities	4,874	1,476	49	45
Working capital	**30,541**	**(37)**	**32**	**59**

Reconciliation for the period ended	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**	**December 31, 2017**
Current assets	108	10	21	27
Less current liabilities	21	156	134	109
Working capital	**87**	**(146)**	**(113)**	**(82)**

RISKS AND UNCERTAINTIES

The Corporation's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. Certain factors, including but not limited to the ones below, could materially affect the Corporation's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Corporation. See "*Cautionary Note Regarding Forward-Looking Information*".

Nature of Mineral Exploration and Mining

The Corporation's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Corporation's exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Corporation's projects, or the current or proposed exploration programs on any of the properties in which the Corporation has exploration rights, will result in any profitable commercial mining operations. The Corporation cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Corporation not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Exploration, Development and Operations

The long term profitability of the Corporation's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Corporation's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Liquidity and Additional Financing

The Corporation's ability to continue its business operations is dependent on management's ability to secure additional financing. The Corporation's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Corporation's obligations.

The advancement, exploration and development of the Corporation's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Corporation may be required to seek additional sources of equity financing in the near future. While the Corporation has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Corporation will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Corporation's objectives or obtained on terms favourable to the Corporation. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Corporation's properties, or even a loss of property interest, which would have a material adverse effect on the Corporation's business, financial condition and results of operations.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Corporation has not determined whether any of its properties contains economically recoverable reserves of mineralized material and currently has not earned any revenue from its projects; therefore, the Corporation does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Corporation's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Corporation's properties. The Corporation does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the Corporation's properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it is not, the Corporation may be forced to substantially curtail or cease operations.

Osisko Mining Being a Significant Shareholder

Osisko Mining is a significant shareholder of O3 Mining and will have the ability to significantly influence certain corporate actions of O3 Mining. As of November 8, 2019, Osisko Mining holds 25,977,989 common shares of the Corporation, representing approximately 53.8% of the issued and outstanding common shares of the Corporation on a basic basis. This level of share ownership allows Osisko Mining to exercise significant influence over all matters requiring approval of the shareholders of O3 Mining, including the election of directors, determination of significant corporate actions, amendments to O3 Mining's articles and by-laws, and the approval of any business combinations, mergers or takeover attempts, in a manner that could conflict with the interests of other shareholders of O3 Mining. In addition to having significant influence over all matters requiring approval of the shareholders of O3 Mining, Osisko Mining may have investment objectives which are different than other shareholders of O3 Mining.

Market Liquidity of Investment Portfolio

O3 Mining holds a portfolio of investments in public and private companies. These investments are speculative and involve a high-degree of risk. There is no guarantee that these investments will earn any positive return in the short-term or long-term, and it may not be possible for the Corporation to readily liquidate the portfolio of investments. The portfolio of investments includes companies subject to trading liquidity risk, and O3 Mining may not be able to sell such investments within a reasonable amount of time at a fair price, and any such sale may put downward pressure on the share price of such companies. As such, there can be no assurances that O3 Mining can convert the portfolio of investments into cash quickly or at all.

Market Price of the Common Shares

The common shares of the Corporation trade on the TSX Venture Exchange under the symbol "OIII". The market price of securities of many companies, particularly exploration and development stage mining companies, experience wide fluctuations that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that an active market for the common shares will be sustained, or that fluctuations in the price of the common shares will not occur. The market price of the common shares at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The development of the Corporation's properties is dependent on the future prices of minerals and metals. In addition, should any of the Corporation's properties eventually enter commercial production, the Corporation's profitability will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Corporation's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of the Corporation's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Corporation's properties to be impracticable or uneconomical. As such, the Corporation may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Corporation's financial performance and results of operations. In such a circumstance, the Corporation may also curtail or suspend some or all of its exploration activities.

Acquiring Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. The Corporation may not be the registered holder of some or all of the claims and concessions comprising the Cadillac Break Project, the Marban Block Project or any of the mineral projects of the Corporation. These claims or concessions may currently be registered in the names of other individuals or entities, which may make it difficult for the Corporation to enforce its rights with respect to such claims or concessions. There can be no assurance that proposed or pending transfers will be effected as contemplated. Failure to acquire title to any of the claims or concessions at one or more of the Corporation's projects may have a material adverse impact on the financial condition and results of operation of the Corporation.

Title Matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Corporation's projects will not be challenged or impugned. There may be challenges to any of the Corporation's titles which, if successful, could result in the loss or reduction of the Corporation's interest in such titles. The Corporation's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Uncertainty and Inherent Sample Variability

Although the Corporation believes that the estimated mineral resources and mineral reserves at the Garrison Project, Orenada Project and the Marban Block Project have been delineated with appropriately spaced drilling, there exists inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There also may be unknown geological details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations.

Reliability of Mineral Resources Estimates

Mineral resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Corporation's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data, the nature of the mineralized body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Fluctuations in gold or silver prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties, may require revision of mineral resource estimates. Should reductions in mineral resources occur, the Corporation may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral resources should not be interpreted as assurances of mine life or of the profitability of current or future operations. Any material reductions in estimates of mineral resources could have a material adverse effect on the Corporation's results of operations and financial condition.

Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to proven or probable mineral reserves.

Uncertainty Relating to Inferred Mineral Resources

Inferred mineral resources are not mineral reserves and do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Term and Extension of Concession Contracts

Non-compliance with concession contracts may lead to their early termination by the relevant mining authorities or other governmental entities. A company whose concession contracts were subject to termination could be prevented from being issued new concessions or from keeping the concessions that it already held. The Corporation is not aware of any cause for termination or any investigation or procedure aimed at the termination of any of its concession contracts.

Governmental Regulation

The mineral exploration and development activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Corporation's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Corporation's operations, or more stringent implementation thereof, could have an adverse impact on the Corporation's business and financial condition.

The Corporation's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Corporation's future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of the Corporation require licenses and permits from various governmental authorities. The Corporation will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Corporation will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Corporation's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Corporation's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not be issued on the terms required by the Corporation. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Corporation for violations of applicable laws or regulations.

Surface Rights

The Corporation does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Corporation's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Corporation's future operations.

Dependence on Key Personnel

The Corporation's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Corporation relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Corporation will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on the Corporation's business, financial condition and prospects.

To operate successfully and manage its potential future growth, the Corporation must attract and retain highly qualified engineering, managerial and financial personnel. The Corporation faces intense competition for qualified personnel in these areas, and there can be no certainty that the Corporation will be able to attract and retain qualified personnel. If the Corporation is unable to hire and retain additional qualified personnel in the future to develop its properties, its business, financial condition and operating results could be adversely affected.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Corporation believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Corporation's future profitability and result in increasing costs and a decline in the value of the Common Shares. The Corporation does not maintain insurance against title, political or environmental risks.

While the Corporation may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Corporation's business and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Corporation. If increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the value and price of the Common Shares could be adversely affected.

Information Systems Security Threats

The Corporation's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date the Corporation has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attach, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and acquisition of attractive mineral properties, the Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources. The Corporation's ability to acquire properties in the future will depend on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, nor that it will be able to develop any market for the raw materials that may be produced from its properties. Any such inability could have a material adverse effect on the Corporation's business and financial condition.

Option and Joint Venture Agreements

The Corporation has and may continue to enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Corporation. Pursuant to the terms of certain of the Corporation's existing option agreements, the Corporation is required to comply with exploration and community relations obligations, among others, any of which may adversely affect the Corporation's business, financial results and condition.

Under the terms of such option agreements the Corporation may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Corporation forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Corporation's business, financial results and condition.

The Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Mergers and Amalgamations

The ability to realize the benefits of any merger or amalgamation completed by the Corporation will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities of the Corporation following completion of any such arrangement, and from operational matters during such a process.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, and to disclose any interest they may have in any project or opportunity of the Corporation. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Corporation's ability to explore its properties, thereby adversely affecting its business and financial condition.

The Outstanding Common Shares Could be Subject to Dilution

The exercise of stock options, warrants, the DSUs and the RSUs already issued by the Corporation and the issuance of additional equity securities in the future could result in dilution in the equity interests of holders of Common Shares.

No Dividends Policy

The Corporation has not declared a dividend since incorporation and does not anticipate doing so in the foreseeable future. Any future determination as to the payment of dividends will be at the discretion of the board and will depend on the availability of profit, operating results, the financial position of the Corporation, future capital requirements and general business and other factors considered relevant by the directors of the Corporation. No assurances in relation to the payment of dividends can be given.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"), including, but not limited to, statements relating to the future financial or operating performance of the Corporation, the Corporation's mineral projects, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, exploration activities, costs and timing of the development of new deposits, costs and timing of future exploration, use of proceeds from financings, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, and transactions. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information reflects the Corporation's beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Corporation's forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, and (ii) the risks described in the section entitled *"Risks and Uncertainties"* in this MD&A, the financial statements of the Corporation and other public disclosure of the Corporation, which are available on SEDAR (www.sedar.com) under the O3 Mining's issuer profile.

Although the Corporation believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking information include the following: the significance of drill results and ongoing exploration activities; timing to obtain assay results from labs; ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modelling; the accuracy of the Corporation's records of its property interests; the global economic climate; metal prices; environmental risks; community and non-governmental actions; that permits required for the Corporation's operations will be obtained on a timely basis in order to permit the Corporation to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Corporation's operations continue to grow; that the price of gold will exceed levels that will render the project of the Corporation economical; the relevance of the assumptions, estimates and projections; and that the Corporation will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.
Forward-looking information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; errors in geological modelling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Corporation disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information 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 information.

ADDITIONAL INFORMATION

Additional information regarding the Corporation is available on SEDAR (www.sedar.com) under O3 Mining's issuer profile.