# QUADRO RESOURCES LTD.
(the “Company” or “Quadro”)

FORM 51-102F1
## MANAGEMENT DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED APRIL 30, 2020

The following management discussion and analysis (“MD&A”) has been prepared by management as of June 29, 2020 and should be read in conjunction with the unaudited interim financial statements and related notes of the Company for the nine month period ended April 30, 2020, and the audited financial statements of the Company and related notes for the year ended July 31, 2019. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in Canadian dollars unless otherwise indicated.

### FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets”, “may”, “will” and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

### OVERVIEW

Quadro Resources Ltd. was incorporated under the laws of British Columbia and currently trades on the TSX Venture Exchange (the “TSX-V”) under the symbol “QRO”. The Company's principal business activity is the exploration and development of mineral properties.

The Company holds a 100% interest in the Staghorn property, located in Newfoundland and Labrador, through a purchase agreement with Metals Creek Resources Corp. (“Metals Creek”) and Benton Resources Inc. (“Benton”) in 2017. In addition, the Company holds a 100% interest in the recently staked Costigan Lake property located in central Newfoundland. The Company also retains one-third interest in the Conche property located on the Great Northern Peninsula, Newfoundland, and Labrador.

In November 2019 the Company entered into an option agreement whereby the Company has the option to acquire a 100% interest in the Long Lake property, located in Newfoundland and Labrador, by making staged cash payments totaling $100,000 over three years ($10,000 paid) and share issuances totaling 5,000,000 common shares over three years (500,000 common shares issued). The vendors will retain a 2% Net Smelter Royalty, half of which can be purchased for $1,500,000.

In February 2020, the Company entered into a letter of intent (“LOI”) whereby the Company has the option to acquire a 70% interest in the Seagull Lake property near Thunder Bay, Ontario, by making staged cash payments totaling $275,000 ($50,000 paid), issuing 6,500,000 common shares (1,000,000 common shares issued) and spending $1,550,000 of exploration expenditures over three years. Upon the Company earning the 70% interest, the Company and the optionor will form a joint venture for the further development of the property.

In January, 2020, the Company completed a private placement of 8,825,000 non-flow-through units at a price of $0.05 per non-flow-through unit and 2,575,000 flow-through units at a price of $0.05 per flow-through unit for gross proceeds of $570,000.

In June, 2020, the Company completed a non-brokered private placement of 8,287,904 units at a price of $0.105 per unit for gross proceeds of $870,230. Each unit is comprised of one common share and one-half of a share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of $0.25.

## IMPACT OF COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets, triggering an economic downturn. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its effects on the Company's business or operations.

During the three month period ended April 30, 2020, the COVID-19 pandemic intensified not only in Canada but around the globe. The health and economic effects of this pandemic have been catastrophic. While the Company is a development stage enterprise and is not reliant on revenue streams to fund operations, the effects of the pandemic will no doubt impact the Company's operations moving forward as the world's health authorities and governments navigate through these unprecedented times. Below is a discussion on key areas the Company has been impacted and how it intends to manage both the short and long-term challenges presented.

### Health and Safety of Employees

The health and safety of the Company's employees is paramount. As such the Company, through the advice of Canadian health authorizes, adopted a work-from-home policy for all employees in order to adhere to social distancing recommendations and keep employees healthy. The Company will continue to follow these recommendations until such time as authorities update employers on next steps. In addition, the Company has suspended field activities temporarily in some cases and modified field work substantially in others in order to comply with recommendations. As restrictions are lifted, the Company will re-evaluate its own policies on office re-opening and field activities in order to ensure continued health and safety of employees and the communities within which they operate.

### Business and Supply Chain Interruption

The Company relies heavily on contracted services to complete certain field exploration activities such as diamond drilling. The companies that provide these services have also been significantly impacted by the COVID-19 crisis in the form of operational shutdowns. These companies operate crews that are often in close proximity to each other, which presents health risks to these individuals. In addition, the Company's employees are often in close contact with these service providers as work is carried out compounding the risks. There are no alternatives to these services and therefore the risk does exist that the Company will not be able to conduct certain exploration initiatives for the foreseeable future. The Company will, however, endeavor to work closely with these service providers on safety protocols and distancing policies as restrictions are lifted to ensure the continued health and well-being of all personnel and to ensure that exploration related goals can be achieved safely. In the meantime, the Company will continue to compile information related to its projects and prepare plans in order to move forward in the field once it is feasible to do so.

### Government Relief Measures

The government of Canada has introduced several relief measures aimed at fiscal easing for both employers and employees alike. Many of the business-related relief measures were designed for companies that have suffered catastrophic declines in revenues from operations. As the Company does not have revenue from operations, many of these measures do not apply but the Company continues to monitor these programs and will pursue relief if practical and beneficial to do so.

### Capital Management

While the Company does not presently rely on revenues from operations given it is a development stage enterprise, it does rely solely on capital raised on the public equity markets in order to fund operations. The COVID-19 pandemic has created drastic volatility on the equity markets and as such will have a foreseeable negative impact on capital raising initiatives moving forward as economic growth projections have contracted significantly. While the Company feels it can effectively manage its capital in the short term, there is no guarantee that future fundraising attempts will be successful. In this case, the Company would look to alternative sources of capital such as disposition or option of non-core exploration assets to reduce exposure and preserve capital or through disposition of equity holdings at opportune times to replenish cash reserves.

### Commodity Prices

The COVID-19 pandemic has sharply contracted world demand of many commodities and as a result prices for these commodities have declined significantly. While the Company does not currently operate any producing mines, this commodity price volatility still impacts the valuations of exploration companies. It can hamper investor interest in capital raising scenarios if the underlying commodities of interest in the property portfolio of the Company are out of favor.

**Guidance on Essential Services and Functions in Canada During the COVID-19 Pandemic**

Canada's National Strategy for Critical Infrastructure defines critical infrastructure as the processes, systems, facilities, technologies, networks, assets, and services essential to the health, safety, security or economic well-being of Canadians and the effective functioning of government. The Strategy classifies critical infrastructure in Canada according to ten sectors, including manufacturing businesses that ensure global continuity of supply of mining and mineral materials and products, and that support supply chains in Canada. This includes mineral exploration and development which is deemed an essential service.

The Company is an exploration-stage company and will adhere to all prescribed protocols, and as mining has been declared a critical industry the Company will be proceeding with its previously announced field programs preparatory to drilling.

## MINERAL EXPLORATION ACTIVITIES

### Seagull Lake Property, Ontario

The Seagull Lake Property is located one hour north of the city of Thunder Bay in Northwest Ontario and 28 kilometers north of the new copper, nickel, platinum, palladium discoveries of Rio Tinto and Magma Metals, now Panoramic Resources Ltd. The North American Palladium mine, the only primary producing palladium mine in Canada, is located 50 kilometers northwest of the Seagull Lake property.

The Seagull intrusion is described as being a10 kilometers diameter circular intrusive that is composed of ultramafic rocks with a high olivine content that has been derived from a deep mantle source. Layering and multiple phases of intrusion have been recognized which creates a favorable setting for Norilsk-type sulphide accumulation. From the July 27, 2000 news release of Canadian Golden Dragon Resources Ltd. "This is the first cumulate PGE-Ni-Cu sulphide zone to the Company's knowledge to be identified in the Proterozoic ultramafic rocks of the Nipigon Plate and confirms that these intrusions have undergone an evolutionary process capable of generating large PGE copper-nickel deposits".

The Seagull Intrusion is also located in the Nipigon Plate, which is interpreted to represent the failed third arm of a Proterozoic-aged, mid-continent rift system, the bulk of which lies beneath Lake Superior. This rifting event is known to host significant Cu-Ni-PGE deposits such as the Duluth Gabbro Complex deposits (Dunka Road, Minnamax, Local Boy etc.) and the Great Lakes Nickel deposit. Three styles of PGE mineralization have been identified in the Seagull Intrusion: PGE-rich detrital "black sands", magnetite-PGE-rich layered "reef-type", and basal Cu-Ni-PGE-rich sulphide-bearing cumulates Norilsk-type. Although the detrital and reef-type mineralization was intersected in the initial drilling, the discovery of the Norilsk-type Cu-Ni-PGE-rich basal sulphide mineralization has become a focus of further exploration, producing grades of up to 3.6 g/t PGE, 0.34% Cu, 0.21% Ni over 2.1 meters, and 1.04 g/t PGE, 0.14% Cu, and 0.16% Ni over 16 meters. (After N Pettigrew, 2002.) Also it is important to note that the Seagull intrusion is highly anomalous in Rhodium, Iridium, Osmium and Ruthenium values (Rh, Ir, Os and Ru the rarer PGEs).

### Victoria Gold Project, Newfoundland

The Company's Victoria Lake Gold project is located in west-central Newfoundland and comprises the 100% owned Staghorn property, the Costigan Lake property (38 claim units) and the recently optioned Long Lake property.

<u>Staghorn Gold property</u>

The Staghorn Gold property consists of 148 claim units (37 sq km) located in southwestern Newfoundland, covering a fifteen kilometer strike length of the gold rich Cape Ray Fault. This structure hosts a number of significant gold deposits including Marathon Gold's Valentine Lake deposit (indicated and measured resources of 3.09 million oz Au and inferred resources of 0.96 million oz Au), located 30 kilometers to the northeast.

The Staghorn project known zones include Ryan's Hammer - 27.80gpt Au in grabs and drill hole 0.145 g/t Au over 50.0 m (see QRO news release 13 February 2019), the Rich House, visible gold -189gpt Au in grabs (see MEK/BEX news release 01 September 2015) and the new Marks Pond soil anomaly – up to 7,233 ppb gold-in-soil (see QRO news release 23 April 2018).

In November and December 2017, the Company completed a diamond drill program on the Woods Lake zone. The nine-hole drill program totaling 1466 meters was limited to testing the Woods Lake Zone, located in the western part of the original Staghorn claim block. The program confirmed that Wood Lake Zone consists of strongly altered felsic porphyry with variable quartz veining and pyrite/arsenopyrite mineralization Assay results confirmed that the altered porphyry is highly anomalous in gold with values ranging between 0.325 g/t Au over 32.5 m to 0.942 g/t Au over 4.4 m**.** Details of the drilling results can be found in the Company's news release on January 31, 2018. Since then, the claim license covering this area was allowed to expire.

In March 2018, results were received from a soil sampling program (approx 800 samples) designed to cover areas of high gold potential which were not previously sampled. The results outlined a new, 1.6 km long gold-in-soil anomaly with a peak value of 7,233 ppb gold. The strongest part of the anomaly is within a 500 m by 125 m area defined by a number of samples assaying greater than 100 ppb Au. The anomaly is coincident with a strong magnetic low and is located on the northeast part of the property approximately 1000 m west of the high grade Ryan's Hammer mineralization.

A field program consisting of excavator trenching, additional sampling and data compilation was completed in July 2018 and a five-hole diamond drill program with a total of 887 metres of drilling was completed in November 2018. The drill program targeted previously untested portion of the Cape Ray Fault Zone to the northeast of the Woods Lake Zone closer to the Marathon's Valentine Lake deposit. Highlights from the drilling was the intersection of a 50 metre wide graphitic schist/breccia zone carrying anomalous gold including 0.94 gpt Au over 3.0 metre. Details of the drilling results can be found in the Company's news release on February 13, 2019. The Company is planning a 2,400 meter drill program in 2020.

<u>Long Lake Property</u>

The Long Lake property consists of 202 claim units located along the northwest boundary of the Marathon Gold project within an under-explored belt of mineralized volcano-sedimentary and intrusive rocks. Highlights from the property include two areas of strong gold in soil and tills. The property provides an opportunity for new gold discoveries in the emerging Cape Ray Gold district and is complimentary to Quadro's Staghorn claims located 35 kilometers southeast.

The highlight of the property is the Tower Grid gold-in-till anomaly (4.53 g/t Au in heavy mineral concentrate) which has recovered gold grains consisting of mostly silt-sized pristine and modified grains which suggest that the samples were collected in close proximity to the source mineralization. An exploration program consisting of prospecting, geochemistry and excavator trenching is planned once field conditions allow and permitting is approved.

**Conche Property, Newfoundland**

The Company holds a one third interest in a six-unit claim license in the St. Anthony area on the Northern Peninsula, Newfoundland, and Labrador. Quadro is the operator of the project.

In June, 2018, reconnaissance prospecting carried out on crown land and led by three personnel of Quadro, Metals Creek and Benton discovered a new galena, copper, zinc and fluorite showing with strike length potential of greater than 300 meters. Assay results had highs of 192 g/t Ag, 15.5% Pb, 0.45% Cu and 0.26% Zn. Quadro, Metals Creek and Benton decided to jointly stake the Conche property and have subsequently reduced the property to six units covering the main showing. A follow-up soil sampling program and prospecting/geological mapping is proposed.

**Qualified Person**

The technical contents in this document have been reviewed and approved by Wayne Reid, P. Geo., VP Exploration for Quadro, a qualified person as defined by National Instrument (NI) 43-101.

**DISCUSSION OF OPERATIONS**

Quadro is an exploration stage company and has no operating revenue. Expenditures related to exploration and evaluation assets are capitalized. The Company did not perform any exploration work on its mineral properties in the nine months ended April 30, 2020.

<u>Three month period ended April 30, 2020</u>

During the three months ended April 30, 2020, the Company reported a net loss of $94,635 compared to a net loss of $79,574 incurred in the three months ended April 30, 2019. The general operating expenses excluding share-based payment expenses for the three months ended April 30, 2020 were $80,195 (2019 - $71,711) and have increased from the comparative period due to increased property acquisition and financing activities. Expense items with a higher cost in the current quarter include consulting fees (2020 - $19,133, 2019 - $1,474), legal fees (2020 - $6,977, 2019 - $nil), transfer agent and regulatory fees (2020 - $15,233, 2019 - $6,057), and travel and promotion (2020 - $7,158, 2019 - $2,671).

Nine month period ended April 30, 2020

During the nine month period ended April 30, 2020, the Company incurred a net loss of $189,150 compared to a net loss of $187,875 for the nine month period ended April 30, 2019. The general operating expenses excluding share-based payment expenses for the nine month period ended April 30, 2020 were $174,710 (2019 - $144,531). Some of the significant expense items are summarized as follows:

- Consulting fees of $24,769 (2019 - $4,029) relate to fees to contract consultants for corporate and administrative work.
- Management fees of $82,500 (2019 - $72,000) relate to fees to the Company's President and Chief Financial Officer.
- Transfer agent and regulatory fees of $20,498 (2019 - $9,543) relate to transfer agent and regulatory filing fees and have increased from the comparative period due to increased property acquisition activities.

Share-based payment expenses of $14,440 (2019 - $43,344), a non-cash charge, are the estimated fair value of the portion of stock options vested during the period. The Company used the Black-Scholes option pricing model for the fair value calculation.

## SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended on April 30, 2020.

| | For the Three Months Ending | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Fiscal 2020 | | | Fiscal 2019 | | | | Fiscal 2018 |
| | Apr. 30, 2020 ($) | Jan. 31, 2020 ($) | Oct. 31, 2019 ($) | Jul. 31, 2019 ($) | Apr. 30, 2019 ($) | Jan. 31, 2019 ($) | Oct. 31, 2018 ($) | Jul. 31, 2018 ($) |
| | | | | | | | | |
| Total revenues | - | - | - | - | - | - | - | - |
| Income (loss) from continuing operations | (94,635) | (62,805) | (31,710) | (126,282) | (79,574) | (51,980) | (56,321) | (86,586) |
| Net income (loss) | (94,635) | (62,805) | (31,710) | (126,282) | (79,574) | (51,980) | (56,321) | (86,586) |
| | | | | | | | | |
| Income (loss) from continuing operations per share - basic and diluted | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Net income (loss) per share - basic and diluted | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |

## LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2020, the Company had a cash balance of $484,554 compared to $161,105 as at July 31, 2019. The Company had working capital of $480,404 as at April 30, 2020 compared to working capital of $115,484 as at July 31, 2019.

During the nine months ended April 30, 2020, the cash balance increased by $323,449 (2019 - decrease by $300,731). The Company spent $213,702 (2019 - $87,705) in operating activities, $2,183 (2019 - $nil) on computer equipment purchase and $45,275 (2019 - $275,562) on its exploration assets. The Company received $23,727 (2019 - $62,536) of government grant on exploration expenditures and $560,882 (2019 - $nil) of net proceeds from a private placement financing during the period.

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. However, management believes that it has sufficient working capital to fund its operations for the next twelve months. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

## OFF-BALANCE SHEET ARRANGEMENTS

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

## RELATED PARTY TRANSACTIONS

Amounts due to related parties of $6,313 (July 31, 2019 - $5,000) are unsecured, non-interest bearing, and have no specific terms of repayment.

Included in prepaid expenses are $nil (July 31, 2019 - $8,400) of management fees advanced to the President and Chief Financial Officer of the Company.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the nine month periods ended April 30 is as follows:

| | 2020 | 2019 |
|---|---|---|
| Management fees | $ 82,000 | $ 72,000 |
| Share-based payments | 14,440 | 35,009 |

The Company entered into the following related party transactions during the nine months ended April 30, 2020:

a) Paid or accrued management fees of $60,000 (2019 - $54,000) to a company controlled by the President of the Company for management services provided.

b) Paid or accrued management fees of $22,000 (2019 - $18,000) to the Chief Financial Officer of the Company for management services provided.

## SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at June 29, 2020, the Company has 50,581,498 common shares, 2,250,000 stock options, and 14,168,452 warrants issued and outstanding.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate; therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.
ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

## FINANCIAL INSTRUMENTS

With the adoption of IFRS 9, the Company has classified cash as FVTPL, and receivables, trade and other payables and amounts due to related parties at amortized cost.

As of July 31, 2019 and April 30, 2020, the carrying amounts of receivables, trade and other payables, and amounts due to related parties carried at amortized cost are considered a reasonable approximation of their fair values due to the relatively short period to maturity of these financial instruments.

### Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Credit risk*

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with its cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. The Company's receivables consist of rental recovery due from a sublease office tenant and sales tax recoverable due from the Canadian government. Management does not expect these counterparties to fail to meet their obligations. Management does not expect these counterparties to fail to meet their obligations.

*Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2020, the Company had a cash balance of $484,554 to settle trade and other payables of $55,966 and due to related parties of $6,313. The Company's trade and other payables have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term maturity.

## RISKS AND UNCERTAINTIES

Exploration of mineral properties involves a high degree of risk and the successful achievement of a profitable operation cannot be assured. Costs of finding and evaluating an ore body are substantial, and may take several years to complete. The Company must overcome many risks associated with an early stage exploration property. Specific items include, but are not limited to, identification and quantification of a commercially viable ore body, confirmation of the Company's interest in the underlying claims and leases, completion of a feasibility study, funding of all costs related to a commercial operating venture, completion of the permitting process, detailed engineering and the procurement of a processing plant, and constructing a facility to support the property. Construction and operational risks including, but not limited to, equipment and plant performance, metallurgical, environmental, cost estimation accuracy, and workforce performance and dependability will all affect the profitability of an operating property.

External financing, primarily through the issuance of common shares will be required to fund its activities. There can be no assurance that it will be able to do so in the future.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

### New accounting policies

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2019, or later periods. The Company has not applied these new standards in preparing these financial statements. The following pronouncement is considered by the Company to be the most significant of several pronouncements that may affect the financial statements in future periods

IFRS 16 – Leases

IFRS 16 – Leases ("IFRS 16") is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract: the lessee and the lessor. IFRS 16 eliminates the classification of leases as either operating or finance leases, as is currently required by IAS 17 – Leases, and instead introduces a single lessee accounting model. This standard is effective for years beginning on or after January 1, 2019. The Company does not have any leases and does not expect any significant impact of adopting IFRS 16 on its financial statements.

## DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

## ADDITIONAL INFORMATION

Additional information is available concerning the Company and its operations on SEDAR at www.sedar.com and on the Company web site at www.quadroresources.com.

## APPROVAL

The Board of Directors of Quadro Resources Ltd. has approved the contents of this MD&A on June 29, 2020.