MacDonald Mines Exploration Ltd.

Management Discussion and Analysis ("MD&A")

Financial Statement Report Date – March 31, 2015

Date of this Report – May 15, 2015

GENERAL

The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements of MacDonald Mines Exploration Ltd. ("the Company") for the year ended December 31, 2014, and December 31, 2013 and the notes thereto. The financial statements of the Company have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts within this report are expressed in Canadian dollars. **In addition to reviewing this report, readers are encouraged to read the Company's public information filings on Sedar at www.sedar.com.**

The Company's shares trade on the TSX Venture Exchange under the symbol "BMK". The Company is a reporting issuer in the Canadian provinces of Ontario, Alberta, British Columbia, New Brunswick, Nova Scotia, Newfoundland, Quebec and Saskatchewan.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

Readers are cautioned not to place undue reliance on forward looking statements contained within this document, which speak only to the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties noted within this MD&A, actual events may differ materially from stated expectations.

This MD&A contains forward looking statements, including statements relating to going concern and capital raising and capital requirements, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated. Factors that could cause such differences include: changes in world commodity markets, changes in equity markets, changes in costs and supply of materials relevant to the exploration and mining industry, change in governments, changes to government mining another regulations as well as numerous other risk factors. Although the Company believes expectations reflected in its forward looking statements are reasonable, results may vary, and the Company cannot guarantee future results, levels of activity, performance or achievements.

NATURE OF ACTIVITIES

The Company is involved in the identification, acquisition and exploration of mineral properties with particular focus on the "Ring of Fire" in James Bay, Ontario. This area is not only known to be important geologically but has recently received attention by both the federal and provincial governments.

Summary of Properties in the "Ring of Fire" near McFaulds Lake, James Bay, Ontario
What follows is a brief commentary on some of the properties that the Company holds in the McFaulds Lake and area, "Ring of Fire", James Bay, Ontario.

"Ring of Fire" – James Bay ("Butler") Property - Executive Summary
The 2013 drilling program consisted of three holes on Butler 3 and two holes on Butler 4. The Butler 3 drilling did not hit appreciable copper or zinc mineralization, but did intersect hydrothermally altered felsic and intermediate volcanic rocks that are indicative that the drill holes are proximal to a large VMS (volcanogenic massive sulphides) body. The Butler 4 drilling intersected copper and zinc mineralization that Company's geoscientists believe to be associated with stratabound mineralization that extends to depth. Indications support the potential for an extensive zone encompassing high-grade copper and zinc mineralization, which represents a large zinc-copper-silver enriched hydrothermal feeder system.

Two drill holes (BP13-CU19 and CU20), were drilled on the Butler 3 geochemical/geophysical anomaly. No appreciable copper or zinc mineralization was intersected within these drill holes, however the lithologies intersected sodium depleted intermediate and felsic volcanic rocks. This geochemical signature represents a classic alteration vector for VMS mineralization and leads Company geoscientists to the conclusion that VMS mineralization is to the south-west. The targeting of the south-west likely represents the extension of the mineralized zone intersecting in drill hole BP12-Cu14. It appears that drill holes BP12-Cu19 and BP12-Cu20 are lateral to the mineralized zone.

- Hole BP12-Cu14 intersected 41.5m of 0.4% Copper, 3.26% zinc and 6g/t silver Including:
    - 12.5m of 8.54% zinc and 6.24 g/t silver.
    - 5.0m of 1.18% copper, 3.86% zinc and 14.48 g/t silver.

The target area to the south-west is corroborated by a coincident EM and IP anomaly. Before drilling this target however, the Company intends to conduct a robust structural analysis of the existing drill holes under the direction of Rogerio Noal Monteiro, Ph. D. (Vektore Exploration and Consulting). This data will be used in conjunction with the geochemical and geophysical vector analysis to guide drill targeting. The Butler 3 geochemical signature and alteration zone are remarkably similar in size and alteration intensity to that observed at Kidd Creek Mine, which is one of the world's largest copper-zinc VMS deposits.

Drill holes BP13-CU21 and CU22 were drilled on the Butler 4 geophysical anomaly, with coincident IP and EM geophysical anomalies. BP13-CU22 intersected 7.50% zinc over a 3-metre interval, and 0.23% copper over 2 metres. Drill hole BP13-CU21 intersected 0.15% copper over a 12-metre interval. Both drill intersections are significant in that they pierced the upper edge of a large sub-vertical electromagnetic plate that is postulated to be associated with VMS mineralization. Now that the Company has verified that this geophysical target is associated with copper and zinc mineralization, a detailed analysis of the structural geology will be undertaken on the target. In conjunction with geochemical and geophysical analysis, this information will be used to develop future drill targets.

It has been postulated that a Kidd Creek type deposit is possible in the Ring of Fire due to the high temperature magma chambers in the footwall of the VMS deposits. The presence of komatiites, icelandite, talc and tin at Butler 3 is proof that there is a high temperature exhalative system capable of forming large VMS deposit(s).

About the James Bay ("Butler") Property
The Company's Butler property is an emerging VMS-focused study area, with at least four zinc-copper volcanogenic massive sulphide (VMS) 'centres' of mineralization (Butler 1 through 4). These centres spaced about 2-4 kilometres apart, represent a typical distribution for deposits in analogous VMS camps such as, Sturgeon Lake, Snow Lake and Kidd Creek. Butler consists of three distinct VMS-type zones spaced along the key statigraphic horizon. Each has a remarkably similar stratigraphic assemblage, and drilling at all of them has intersected distinctive alteration assemblages and copper–rich stringer mineralization. At Butler 1-2 and 4, drilling ended in altered rocks, indicating potential for additional discovery in adjacent strata. Zinc mineralization trends to be less conductive than copper-rich stringer zones, and from our new drilling at Butler 3, it is evident that the copper and zinc zones may be separated by several tens of meters. In re-evaluating the EM data from these other target areas, the Company expects that new targets will be defined at Butlers 1-2 and 4.

Butler VMS Zones
The size and presence of these intrusions is a primary predictor of VMS potential. Dr. James Franklin, Technical Advisor of the Company, summarizes the VMS discoveries made to date on the Butler property as follows:

- There is good potential for a world-class VMS deposit, possibly on the extension of the core of the zinc-copper-silver rich zone as mapped to date.
- Initial discoveries were of stringer zones formed in the footwall to a much larger system with good potential for additional copper, zinc and silver resources.
- Alteration still continues further to the east at Butler 3, and localized increased copper contents, as well as the presence of other key alteration indicators, along with significant geophysical targets, indicate the potential for discovery a few tens to hundreds of meters to the east. Alteration and down-hole geophysical results pointed to targets that have proved to be banded, zinc-rich VMS mineralization. New gravity and EM data indicate excellent additional undrilled potential.

Nickel-PGE Potential
The intersection of magmatic nickel sulphide (24 m of 0.27% Ni, and 7.5 m of 0.153 ppm Pd and 0.044 ppm Pt) in hole MN07-39 led the direction of 2007 and 2008 exploration programs. This exploration led to limited success and was put aside in favour of VMS mineralization. Dr. Larry Hulbert, Ph.D., P.Geo. appointment to the Company's Technical Advisory Committee in February 2011 has allowed the revisiting of magmatic nickel sulphide potential. Through his examination of drill core, Dr. Hulbert unequivocally identified komatiites; extremely high temperature, extrusive volcanic rocks with significant magmatic nickel potential. (e.g. Thompson Ni Belt, Manitoba; Raglan, Quebec; Kambalda, Australia).

Future Plan for Properties
Ring of Fire Projects
All of the companies Ring of Fire properties are currently under a Ministry of Northern Development and Mines ("MNDM") special status of exclusion. This effectively holds the properties in good standing until the exclusion is lifted. The reason for the special status is due to ongoing negotiations between the Province of Ontario and First Nation communities in the Ring of Fire. The James Bay property has been in this status since 2013.

OVERALL PERFORMANCE
During these challenging financial times and without a mining permit to explore, senior management has strived to keep overhead expenses to a minimum while continuing to explore and evaluate the Company's current properties. Net loss for the three months ended March 31, 2015 was $14,978 compared to a net loss of $97,212 for the same period of the prior year. Net comprehensive loss for the three months ended March 31, 2015 was $5,538 compared to a net gain of $13,394 for the same period of the prior year. As at March 31, 2015, the Company had an accumulated deficit of $55,818,525 compared to $55,803,547 as at December 31, 2014.

MINERAL EXPLORATION ACTIVITIES
For the three months ended March 31, 2015, the Company expensed $8,086 on exploration expenditures compared to $72,831 in the same period during 2014.

New mining laws which came into effect on April 1, 2013 requires the issuance of an exploration permit by the MNDM in order to conduct exploration activities such as diamond drilling on any of the Company's mining claims within Ontario. A significant requirement for obtaining such a permit is satisfying the "consultative" process with First Nation's Communities as identified and outlined by the MNDM. Unfortunately, despite concerted efforts over the past twenty-five months by the Company, it has only been able to satisfy the "consultative" requirement for two of the three identified First Nation Communities. Therefore, the MNDM has not yet issued an exploration permit and therefore the Company was unable to continue its exploration activities beyond the first quarter of 2013. Although we continue to make every concerted effort to satisfy the consultative requirements, as of the date of this report, we still have not received the required permit from the MNDM.

SELECTED HISTORICAL FINANCIAL DATA

The following tables set out financial performance highlights for the last eight quarters and have been adjusted to give effect to the change in accounting policy:

	First Quarter March 31, 2015	Fourth Quarter December 31, 2014	Third Quarter September 30, 2014	Second Quarter June 30, 2014
	$	$	$	$
Net loss from operations	(14,978)	(110,364)	(31,641)	(74,598)
Income taxes	Nil	Nil	Nil	Nil
Future income taxes recovered	Nil	35,447	Nil	Nil
Net loss	(14,978)	(75,218)	(31,555)	(74,489)
Net loss per share, basic	(0.00)	(0.00)	(0.00)	(0.00)
Comprehensive gain / (loss)	(5,538)	31,171	(3,035)	(16,250)
Cash flow (used in) / provided by operations	(17,531)	(79,962)	(2,165)	1,902
Cash & cash equivalents, end of period	122,916	140,447	120,409	122,574
Assets	207,370	242,378	269,243	286,908
Future tax liabilities	Nil	Nil	Nil	Nil

	First Quarter March 31, 2014	Fourth Quarter December 31, 2013	Third Quarter September 30, 2013	Second Quarter June 30, 2013
	$	$	$	$
Net loss from operations	(97,318)	(147,338)	(230,345)	(749,731)
Income taxes (expense) recovery	Nil	(12,811)	Nil	Nil
Future income taxes recovered	Nil	5,237	Nil	Nil
Net loss	(97,212)	(165,327)	(202,446)	(654,046)
Net loss per share, basic	(0.00)	(0.00)	(0.00)	(0.00)
Comprehensive (loss) / gain	13,394	(3,996)	(8,389)	1,248
Cash flow used in operations	(29,057)	(231,172)	(236,340)	(1,144,540)
Cash & cash equivalents, end of period	120,672	149,729	380,902	617,241
Assets	332,246	410,065	656,725	924,355
Future tax liabilities	Nil	Nil	Nil	Nil

SUMMARY OF MINERAL PROPERTY EXPENDITURES BY TYPE AND BY PROPERTY

The following balances, expressed in thousands, are on a property-by-property basis for the three months ended March 31, 2015.

James Bay Property	Amount
Opening Balance	$ 32,159
Additions	-
Ending Balance	**$ 32,159**

LaRonge, Saskatchewan	Amount
Opening Balance	$ 1,564
Additions	
Ending Balance	**$ 1,564**

There was no exploration activity during the three months ended March 31, 2015.

RESULTS OF OPERATIONS

Results of Operations for the three months ended March 31, 2015 and 2014

	2015	2014
Exploration expenditures	357	6,237
Salaries, professional and consulting fees	-	2,273
Depreciation	4,813	7,799
Shareholder communications	1,722	8,178
General & Administrative	8,086	72,831
Total expenses	**14,978**	**97,318**
Net loss from operations	**(14,978)**	**(97,318)**
Other Income		
Investment and other income	-	106
Net loss for the period	**(14,978)**	**(97,212)**

Expenses

There was no exploration activity conducted during the three months ended March 31, 2015 due to the exploration permit issue and lack of available funds. As result, exploration expenditures, salaries and professional fees, shareholder communication expenses were significantly lower when compared to the comparable prior period.

LIQUIDITY AND FINANCIAL POSITION

For a further understanding of the movements in cash during the period, readers are encouraged to review the statements of cash flow within financial statements filed by the Company.

As at March 31		2015		2014
Cash used in operating activities	$	(17,531)	$	(29,057)
Cash used in investing activities		-		-
Total	$	(17,531)	$	(29,057)

The Company had working capital deficiency on March 31, 2015 totaling $492,275 compared to a working capital deficiency of $476,573 at December 31, 2014. Cash and cash equivalents totalled $122,916 on March 31, 2015 and $140,447 on December 31, 2014. The Company continues to have discussions with potential joint venture partners to assist in financing its exploration operations. The Company presently anticipates that it requires between $25,000 and $50,000 per quarter to fund it general and administrative expenses.

The Company has not completed any private placements for the three months ended March 31, 2015 and for the year ended December 31, 2014.

As at December 31, 2015, the Company had no material off-balance sheet arrangements such as guaranteed contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that could trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY BALANCES

The following are the related party transactions for the three months ended March 31, 2015:

- The Company was charged $Nil (2014: $6,000) by Red Pine Exploration Inc., in rent and other administrative services, a TSXV listed company which is managed by common directors and senior officers of the Company. Included in accounts payable and accrued liabilities is $17,000 (2014: $11,000) related to rent payable.
- During the year ended December 31, 2014, the Company received a short-term loan totaling $100,000 from Energizer Resources Inc. (TSX: EGZ), a company related by common management. The loan is interest bearing at a rate of 5%, unsecured and due on demand. No amounts have been paid back as at March 31, 2015. Accrued

interest of $3,292 is included in accounts payable and accrued liabilities.

- Subsequent to March 31, 2015, Energizer Resources Inc loan another $25,000 under the same terms and conditions.

DISCLOSURE OF OUTSTANDING SHARE INFORMATION

The following table sets forth information concerning the outstanding securities of the Company as at May 15, 2015:

Security Class	Number
Common Shares	302,743,080
Warrants	7,678,947
Options	21,305,000

SIGNIFICANT ACCOUNTING POLICIES

For further information about the accounting policies used by the Company, please refer to the Company's financial statements and notes thereto for the year ended December 31, 2014.

Basis of Presentation

The financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale, which have been measured at fair value. The financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Significant accounting judgments and estimates

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and the reported amounts of revenues and expenses during the period. On an ongoing basis, management evaluates its judgments and estimates by using its experience and other factors it believes to be reasonable. Actual results could differ from those estimates. The financial statements include estimates which are uncertain, the impacts of which are pervasive and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods if it affects both current and future periods. Significant estimates and judgments include, but are not limited to, the provision for tax and penalties related to flow-through expenditures previously renounced. The provision requires management to make judgements and estimates of the likelihood and amount of penalties to be paid.

Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological, geophysical studies, exploratory drilling and sampling. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Flow-through shares are a Canadian Income Tax incentive. Under the terms of the flow-through share agreements, the tax attributes of the related exploration expenditures are renounced by the Company to subscribers who purchase flow-through shares. Proceeds from the issuance of flow-through shares are allocated between the offering of shares and the sale of tax benefits. An allocation is made based on the difference between the quoted price of the existing shares and the amount that the investor paid for the shares. A liability is recognized for this difference. The liability is reduced and a reduction of the premium liability is recorded as other income as eligible expenditures are incurred and when it becomes the Company's intention to file the appropriate renunciation forms with Canadian tax authorities.

Share-based payment transactions

The Company has a stock option plan. All share-based awards granted, including those granted to directors not acting in their capacity as directors, are accounted for using the fair value based method. The fair value of stock options granted is recognized as an expense within the statements of comprehensive loss and a corresponding increase to reserves within the equity section of the statements of financial position. Any consideration paid by eligible participants on the exercise of stock options is credited to capital stock. The reserves amount associated with stock options is transferred to capital stock upon exercise. A total of $Nil (2013: $275,674) was expensed relating to share-based awards during the year ended December 31, 2014.

FINANCIAL RISK FACTORS
The Company's financial risk exposures and the impact on the Company's financial instruments are as follows:
(a) *Credit risk*: The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. The Company has no significant concentration of credit risk arising from financial instruments.

(b) *Liquidity risk*: The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2015, the Company has a working capital deficiency of $492,275 (December 31, 2014: $476,573). The Company had a cash balance of $122,916 (December 31, 2014: $140,447) to settle current liabilities of $631,175 (December 31, 2014: $645,667). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except short-term debt. The Company's financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assume the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's continued existence is dependent upon its ability to obtain necessary financing to meet ongoing expenses, to complete the development of its mineral properties and upon future profitable operations.

(c) *Market risk*: Market risk is made up of interest rate risk, price risk and equity price risk.

Interest rate risk: The Company has cash balances and no-interest-bearing debt. The Company's current policy is to invest excess cash and cash equivalents in short-term money market investments issued by highly rated entities. The Company monitors the investments it makes and is satisfied with the credit ratings.

Price Risk: The Company is indirectly exposed to this risk through the price of base metals. The Company monitors commodity prices to determine the appropriate course of action to be taken with respect to its mineral properties.

Equity Price Risk: This is defined as the potential adverse impact on the Company's earnings due to movements in individual equity movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action.

(d) *Sensitivity Analysis*: Based on management's knowledge and experience of the financial markets, the Company believes that it is "reasonably possible" for the Company's marketable securities to move plus or minus 50%. If this were to happen, comprehensive income (loss) would be affected by approximately $11,988.

INTERNAL CONTROLS OVER FINANCIAL REPORTING
The Company has established procedures and internal control systems to ensure the timely and accurate preparation of financial, management and other reports. The Chief Executive Officer and Chief Financial Officer certify financial reports. Disclosure controls are in place to ensure all reporting meets statutory reporting requirements. The Company's management is responsible for establishing and maintaining adequate internal controls. These controls have been designed to provide reasonable, but not absolute, assurance with respect to the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls, however well conceived, will provide only reasonable and not absolute assurance that the objectives of the internal controls over financial reporting will be met. It should not be expected that the disclosure and internal controls and procedures would prevent all errors or fraud.

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures as a whole. Based on their review, including a review of the compensating controls relating to the lack of segregation of duties noted above, they have concluded that the Company's internal controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective overall.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Included in accounts payable and accrued liabilities on the Statement of Financial Position is a provision of $458,000 representing the tax and penalties related to a shortfall in flow-through eligible exploration expenditures.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.