



**QUINTO RESOURCES INC.**

**INTERIM MANAGEMENT DISCUSSION AND ANALYSIS**

**OCTOBER 31, 2018**

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## **QUINTO RESOURCES INC.**

### **INTERIM MANAGEMENT DISCUSSION AND ANALYSIS AS AT OCTOBER 31, 2018**

#### **BACKGROUND**

The following management discussion and analysis (“MD&A”) should be read in conjunction with the financial statements of Quinto Resources Inc. (the “Corporation”) for the year ended January 31, 2018. The unaudited condensed financial statements for the third quarter ended October 31, 2018 and the comparative data have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Unless otherwise specified, the financial information included in the financial statements and contained in this MD&A is denominated in Canadian dollars.

#### **FORWARD-LOOKING STATEMENTS**

The sections of this MD&A on the Corporation’s strategy and action plan and exploration activities contain “forward-looking statements” depending on context, particularly statements that reflect the Corporation’s opinions, estimates and expectations with regard to future events or results. Such forward-looking statements are subject to certain factors and involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate. Factors that could cause future results, activities and events to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, risks inherent in the mining industry, uncertainty in the estimation of mineral resources and additional financial requirements, as well as the Corporation’s ability to meet such requirements. These risks and uncertainties are described in this MD&A filed on SEDAR.

#### **CORPORATION OVERVIEW**

The Corporation was incorporated under the *Canada Business Corporations Act* on January 20, 2010.

The Corporation’s activities essentially focus on the exploration and evaluation of mineral properties for commercial production. The Corporation does not currently operate any properties. The Corporation owns a 5% interest (IAMGOLD Corporation (“IAMGOLD”): 50%; TomaGold Corporation (“TomaGold”): 45%) in the Monster Lake gold property, located in the Chibougamau mining camp, in Québec.

The recovery cost of mining assets depends on the ability to discover and economically extract ore reserves, on obtaining the required funding to continue exploring, evaluating and developing its properties and the proceeds from the disposal of properties. The Corporation must periodically obtain new funds in order to continue its activities, and despite the fact that it has succeeded in doing so in the past, there can be no assurance that it will continue to do so in the future.

## **MINING PROPERTIES**

### **Monster Lake property (Gold)**

The Corporation owns a 5% interest in the Monster Lake property (IAMGOLD 50% and TomaGold 45%). The Monster Lake property consists of 114 mineral claims covering an area of 3,336 hectares. It lies 44 kilometres southwest of the town of Chibougamau in northwestern Quebec. The property is easily accessible by road, and a high-voltage transmission line crosses the area nearby.

IAMGOLD has an option to acquire an additional 25% interest by spending \$10 million in exploration work over a 7-year period, with a minimum of \$500,000 to be spent each year. The effective starting date for the exploration work commitment is January 1, 2015.

Upon IAMGOLD earning a 75% interest in the Monster Lake project, TomaGold and the Corporation will have the option to fund their pro-rata share of exploration expenditures to keep their interest in the project, subject to a dilution clause if the Corporation is unable to fund its share of exploration expenditures. If TomaGold and the Corporation are diluted to a 10% interest in the project, their ownership interest will be converted to a 1.5% NSR with a buyback provision. IAMGOLD would then have the possibility to buy back a 0.75% NSR for \$2 million and the payment for the remaining 0.75% NSR would be capped at \$8 million.

The agreement also includes two future success-based contingent payments based on specific milestones, which are IAMGOLD's decision to build a mine and the beginning of commercial production. For each of these milestones, IAMGOLD would pay an additional \$1 million to TomaGold, of which a global potential amount of \$200,000 would be paid to the Corporation in cash or common shares of IAMGOLD, at IAMGOLD's discretion.

#### *Recent results*

On March 28, 2018, IAMGOLD reported the results of its first mineral resource estimate in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards incorporated by reference in National Instrument 43-101 ("NI 43-101") for the Monster Lake joint venture project.

The resource estimate comprises 1,109,700 tonnes of inferred resources averaging 12.14 grams of gold per tonne for 433,300 ounces of contained gold. This resource is contained in four discrete mineralized zones where geological and grade continuities have been demonstrated and has been estimated assuming an underground mining scenario. The most significant zone is the 325-Megane Zone which is characterized by its high grade and remains open down plunge at depth. The potential for adding additional resources along the identified shear structures is considered favourable and remains the focus of ongoing exploration programs.

The mineral resource estimate for the Monster Lake project incorporates assay results from 105 diamond drill holes variably spaced from 50 to 200 metres apart and totalling nearly 39,000 metres. The drill hole database comprises both historic and recent drill holes completed by the joint venture partners. The estimate was prepared using a block model constrained with 3D wireframes of the four mineralized solids constructed by InnovExplo Inc. Values for gold were interpolated into blocks using a 2-pass inverse distance squared (ID2) interpolation method. This mineral resource estimate incorporates mining assumptions relating to an underground mining extraction method to support the CIM requirement that Mineral Resources have 'reasonable prospects for eventual economic extraction'. Only mineralization contained within the four mineralized wireframes has been included in the resource estimate. The effective date of this resource estimate is February 26, 2018.

**MINERAL RESOURCE STATEMENT – MONSTER LAKE PROJECT  
Effective February 26, 2018**

<b>Classification</b>	<b>Tonnage (000s)</b>	<b>Gold Grade (g/t Au)</b>	<b>Contained Ounces (Au) (000s)</b>
<b>Inferred</b>	<b>1,109.7</b>	<b>12.14</b>	<b>433.3</b>

Notes:

- CIM definitions were followed for classification of Mineral Resources.
- Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
- Results are presented in situ and undiluted.
- Mineral resources are reported at a cut-off grade of 3.5 g/t Au, using a gold price of US\$1,300/ounce and a Canadian\$/U.S.\$ exchange rate of 1.28.
- Density data (g/cm<sup>3</sup>) was established on a per zone basis and ranges from 2.86 to 2.88 g/cm<sup>3</sup>.
- A minimum true thickness of 2.5 m was applied, using the grade of the adjacent material when assayed or a value of zero when not assayed.
- High-grade capping (g/t Au) was done on raw assay data and ranges from 20 to 150 g/t Au, based on the statistical analysis of each mineralized zone.
- Resources were estimated from 1.5m drill hole composites, using a 2-pass ID2 interpolation method in a block model (block size = 3 m x 3 m x 3 m).
- The number of metric tons and ounces was rounded to the nearest hundred.

On June 14, 2018, IAMGOLD reported final assay results from all 26 drill holes, totaling 8,282 metres, completed as part of the initial 2018 program.

The assay results include the following highlights:

**325 - Megane Zone and Main Shear Zone:**

- **Drill hole ML18-212: 3.83 metres grading 23.96 g/t gold**
  - Includes: 1.30 metres grading 67.22 g/t gold
- **Drill hole ML18-213: 3.84 metres grading 39.24 g/t gold**
  - Includes: 1.09 metres grading 127.4 g/t gold
- **Drill hole ML18-217: 5.32 metres grading 40.94 g/t gold**
  - Includes: 0.70 metres grading 251.0 g/t gold
- **Drill hole ML18-225: 2.62 metres grading 72.17 g/t gold**
  - Includes: 1.75 metres grading 107.3 g/t gold

**Lower Shear Zone:**

- **Drill hole ML18-224: 4.32 metres grading 32.07 g/t gold**
  - Includes: 0.74 metre grading 134.0 g/t gold
- **Drill hole ML16-176B Ext : 0.70 metres grading 14.10 g/t gold**

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*Next steps*

These results will be incorporated into the deposit model and used to update the mineral resources to guide the next drilling programs. Ongoing geochemical and structural studies will continue to support exploration targeting. A further round of drilling was done during the summer to test specific structural targets that are accessible.

**Campo Largo project (Gold)**

On August 22, 2017, the Corporation announced the signing of an arm's length option agreement with Mr. Sabino Rodrigo de Freitas to earn up to a 100% interest in the Campo Largo gold project in Brazil.

On March 7, 2018, the Corporation announced the results from its drilling program on the Campo Largo gold project. The drilling program consisted of two holes for a total of 300 metres. The objective was to verify prior historical results. The Corporation intersected values of 2 ppb to 43 ppb Au.

Those results were not what the Corporation expected. In October 2018, the Corporation terminated this agreement.

**Chibougamau projects (Gold)**

On May 18, 2016, the Corporation signed an option agreement to acquire a 75% undivided interest in the Chibougamau projects from Alexandria Minerals Corporation ("Alexandria"), which comprise the Gwillim, Fancamp and Embry properties.

As of May 18, 2017, the Corporation did not incur the \$300,000 in exploration work that was required on the properties. On August 14, 2017, Alexandria ended the option agreement following the Corporation's default.

The Corporation is the subject of a claim of \$35,405 for failing to comply with the terms of the option agreement signed with Alexandria Minerals Corporation for the Gwillim, Fancamp and Embry properties. The Directors believe the claim has no merit and, consequently, no provision has been made for the contingent liability that could arise.

**STRATEGY AND ACTION PLAN**

The Corporation remains on the lookout for promising mining projects to eventually explore and develop.

**EXPLORATION AND EVALUATION EXPENSES**

For the three-month periods ended October 31, 2018 and 2017, the Corporation didn't incur any exploration and evaluation expense.

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### SELECTED FINANCIAL DATA

	Three months ended October 31, 2018	Three months ended October 31, 2017	Nine months ended October 31, 2018	Nine months ended October 31, 2017
	\$	\$	\$	\$
<b>Expenses</b>				
General and administrative expenses	(82,716)	(49,896)	(276,513)	(301,408)
Financing costs	(432)	(88)	(957)	(270)
<b>Net loss and comprehensive loss</b>	<b>(83,148)</b>	<b>(49,984)</b>	<b>(277,470)</b>	<b>(301,678)</b>
<b>Basic and diluted loss per share</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.006)</b>	<b>(0.013)</b>

	October 31 2018	January 31 2018
	\$	\$
Total assets	331,987	657,094
Cash and cash equivalents	-	20,639
Total equity	221,502	498,972

### RESULTS OF OPERATIONS

For the third quarter ended October 31, 2018, the Corporation incurred \$82,716 in general and administrative expenses, compared to \$49,896 in 2017. The increase in expenses is primarily due to an increase in consulting and professional expenses during the quarter.

The Corporation recorded a net loss of \$83,148 (\$0.002 per share) for the third quarter ended October 31, 2018, compared to a net loss of \$49,984 (\$0.002 per share) in 2017.

### FINANCIAL POSITION

For the third quarter ended October 31, 2018, the Corporation had a working capital of \$221,502, which included cash and cash equivalents of nil (\$20,639 as at January 31, 2018). As at October 31, 2018, the Corporation posted an accumulated deficit of \$2,592,496 (\$2,315,026 as at January 31, 2018).

The accompanying financial statements have been prepared using International Financial Reporting Standards (IFRS) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate. Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Corporation ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern, as described in the following paragraph. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption would not be appropriate. These adjustments could be material.

Management estimates that these funds will not be sufficient to meet the Corporation's obligations and budgeted expenditures through October 31, 2019. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new debt or equity instruments, expenditures reductions and/or the introduction of joint venture partners and/or business combinations. While Management has been successful in securing financing in the past, there can be no assurance it will be

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### Management Discussion and Analysis for the third quarter ended October 31, 2018

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able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements.

The Corporation's operating activities used \$534,373 for the nine-month period ended October 31, 2018, having used \$187,528 in 2017. The increase is mainly due to the advance receivable and the variation of accounts payable and accrued liabilities.

The Corporation's investment activities primarily consist of funds used in exploration and evaluation work and the addition of mining properties, net of tax credits received.

The Corporation is entitled to a refundable tax credit for resources of up to 38.75% of eligible expenses and a credit on mining duties refundable for losses of 16% of 50% of eligible expenses incurred funded with non-tax renounced flow-through funds.

The Corporation does not have any investment in asset-backed commercial paper.

#### DIVIDEND POLICY

The Corporation has not declared any cash dividend on its outstanding common shares since incorporation. Any dividend payment will depend on the Corporation's financial requirements for its exploration and evaluation programs, its level of growth and other factors deemed pertinent by the Board of Directors under the circumstances. It is unlikely that a dividend will be paid in the foreseeable future.

#### QUARTERLY FINANCIAL INFORMATION

The following table contains selected financial information for the last eight quarters:

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	(83,148)	(101,824)	(92,498)	(350,251)	(49,984)	(152,702)	(98,992)	(379,080)
Basic and diluted loss per share	(0.002)	(0.002)	(0.003)	(0.012)	(0.002)	(0.007)	(0.005)	(0.019)

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### RELATED PARTY TRANSACTIONS

During the nine-month periods ended October 31, 2018 and 2017, the Corporation has concluded some transactions with related parties. The following expenses consist mainly in consulting fees.

	2018	2017
	\$	\$
Corporations held by officers and directors		
Consulting fees	69,725	38,850

Payment terms are the same as for the other suppliers of the Corporation.

These transactions occurred in the normal course of business and were measured at the exchange amount which represents the amount of consideration established and agreed to by the related parties.

### OUTSTANDING SHARE INFORMATION

	As at November 22, 2018
	Number
Common shares	41,779,998
Stock options	1,400,000
<b>Total number of common shares on a fully diluted basis</b>	<b>43,179,998</b>

### RISK AND UNCERTAINTIES

Risk factors are discussed in detail in the Corporation's MD&A for the year ended January 31, 2018.

### INFORMATION COMMUNICATION CONTROLS AND PROCEDURES

In accordance with *National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Corporation 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 full certificate under NI 52-109, the Venture Issuer Basic Certification includes a "Note to Reader" stating that the CEO and CFO do not make any 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 AND CONTINUOUS DISCLOSURE**

This management discussion and analysis is dated November 22, 2018, and complies with Canadian Securities Administrators, National Instrument 51-102 on continuous disclosure. The purpose of this management discussion and analysis is to help the reader understand and assess the material changes and trends in the Corporation's results and financial position. It presents Management's perspective on the Corporation's current and past activities and financial results, as well as an outlook of activities planned for the coming months. The Corporation regularly discloses additional information through press releases and other reports filed on SEDAR: [www.sedar.com](http://www.sedar.com).

(signed) Michael Curtis

Michael Curtis

President and Chief Executive Officer

(signed) Marcel Bergeron

Marcel Bergeron

Chief Financial Officer