Anaconda Mining

Management Discussion and Analysis

For the three months ended March 31, 2019 and March 31, 2018
(Expressed in Canadian Dollars)

This management discussion and analysis ("MD&A") dated May 1, 2019 of Anaconda Mining Inc. ("Anaconda" or the "Company") provides a discussion of the Company's consolidated financial position and the results of its consolidated operations for the three months ended March 31, 2019. This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements and the related notes for the three months ended March 31, 2019 and March 31, 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. Since the condensed interim consolidated financial statements do not include all disclosure required by IFRS for annual statements, they should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended December 31, 2018. This MD&A should also be read in conjunction with the risk factors described in the "Risk Factors" section at the end of this document. Additional information, including the condensed interim consolidated financial statements for the three months ended March 31, 2019, the audited annual financial statements for the year ended December 31, 2018, the Company's Annual Information Form for the year ended December 31, 2018, and press releases, have been filed through the System for electronic Document Analysis and Retrieval ("SEDAR") and are available online under the Anaconda Mining Inc. profile at www.sedar.com.

All amounts presented are in Canadian Dollars unless otherwise stated.

Certain non-IFRS measures are included in this MD&A, including operating cash cost per ounce and all-in sustaining costs ("AISC") per ounce. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. Anaconda believes that these measures, in addition to that information prepared in accordance with IFRS, provides investors with useful information to evaluate the Company's performance and ability to generate cash flow from its operations. Accordingly, it 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. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

Company Overview

Anaconda Mining is a TSX-listed gold mining, development, and exploration company, focused in the top-tier Atlantic Canadian jurisdictions of Newfoundland and Nova Scotia. The Company operates the Point Rousse Project located in the Baie Verte Mining District in Newfoundland, comprised of the Stog'er Tight Mine, the Pine Cove open pit mine, the Argyle Mineral Resource, the fully-permitted Pine Cove Mill and tailings facility, deep water port, and approximately 9,150 hectares of prospective gold-bearing property. Anaconda is also developing the Goldboro Gold Project in Nova Scotia, a high-grade Mineral Resource, subject to a 2018 a preliminary economic assessment which demonstrates strong project economics. The Company also has a wholly owned exploration company that is solely focused on early stage exploration in Newfoundland and New Brunswick.

Anaconda's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "ANX" and on the OTCQX under the symbol "ANXGF". Anaconda Mining Inc. is incorporated under the laws of Ontario, with its registered head office located at 150 York Street, Suite 410, Toronto, Ontario, M5H 3S5. Further information about Anaconda Mining can be found in the Company's regulatory filings, including the Annual Information Form, available on SEDAR at www.sedar.com and on the Company's website at www.anacondamining.com.

Consolidated Results Summary

Financial Results	**Three months ended March 31, 2019**	**Three months ended March 31, 2018**
Revenue ($)	**8,776,703**	7,596,600
Cost of operations, including depletion and depreciation ($)	**6,454,694**	5,511,353
Mine operating income ($)	**2,322,009**	2,085,247
Net income ($)	**1,157,851**	149,218
Net income per share ($/share) – basic and diluted	**0.01**	0.00
Cash generated from operating activities ($)	**4,135,074**	991,805
Capital investment in property, mill and equipment ($)	**289,177**	563,973
Capital investment in exploration and evaluation assets ($)	**4,357,390**	1,535,364
Average realized gold price per ounce*	**US$1,257**	US$1,327
Operating cash costs per ounce sold*	**US$735**	US$711
All-in sustaining cash costs per ounce sold*	**US$987**	US$1,088
	March 31, 2019	**December 31, 2018**
Total assets ($)	**64,802,769**	57,942,367
Non-current liabilities ($)	**7,709,935**	5,290,646

**Refer to Non-IFRS Measures section for reconciliation*

Operational Results	**Three months ended March 31, 2019**	**Three months ended March 31, 2018**
Ore mined (t)	**77,367**	143,840
Waste mined (t)	**279,412**	250,132
Strip ratio	**3.6**	1.7
Ore milled (t)	**79,758**	109,219
Grade (g/t Au)	**1.92**	1.44
Recovery (%)	**84.8**	85.2
Gold ounces produced	**4,176**	4,293
Gold ounces sold	**5,251**	4,526

First Quarter Highlights

- Anaconda sold 5,251 ounces of gold in Q1 2019, a 16% increase over Q1 2018, generating metal revenue of $8.8 million at an average realized gold price of $1,671 per ounce sold*. The Company also had 749 ounces in gold doré bars in inventory at March 31, 2019, which were sold in early April.
- Strong revenue enabled the Point Rousse Project to generate EBITDA* of $3.8 million for the first quarter of 2019, compared with $3.5 million for the three months ended March 31, 2018.
- On a consolidated basis, EBITDA* for the three months ended March 31, 2019 was $2.7 million, an increase of $0.3 million over the comparative period.

- The Company produced 77,367 tonnes of ore during the first quarter, predominantly from mining at the Stog'er Tight Mine. Material moved also included 45,120 tonnes of waste development for a planned pushback of the Pine Cove Pit in anticipation of mining ore in the second quarter.
- The Company ended the first quarter with stockpile of over 30,600 tonnes of ore at an estimated average grade of 1.73 grams per tonne ("g/t").
- The Pine Cove Mill processed 79,758 tonnes during Q1 2019, a 27% reduction compared to Q1 2018 due to lower mill availability resulting from planned maintenance activities on the main ball mill, unplanned maintenance of the regrind mill, and the decision to accelerate other maintenance programs to minimize future down time. The regrind mill was back in operation during the first week of April and the Company expects normal mill operations for the remainder of the year.
- Operating cash costs per ounce sold* at the Point Rousse Project in Q1 2019 was $977 (US$735), below 2019 annual guidance of $1,050-$1,100, due to higher grades and increased gold ounces sold.
- All-in sustaining cash costs per ounce sold*, including corporate administration and sustaining capital expenditures, was $1,312 (US$987) for Q1 2019, a 5% improvement over the three months ended March 31, 2018.
- The Company invested $4.4 million in its exploration and development projects, including $3.9 million on the Goldboro Gold Project in Nova Scotia mostly relating to the 10,000 tonne bulk sample, along with continued diamond drilling.
- Net income for the three months ended March 31, 2019 was $1,157,851, or $0.01 per share, compared to $149,218, or $0.00 per share, for the three months ended March 31, 2018.
- In February 2019, the Company announced the results of a 3,434-metre drill program that began in November 2018, which included drilling around the Pine Cove and Stog'er Tight mines, successfully infilling and extending mineralization near the margins of the existing pit outlines at both sites.
- The Company continues infill drilling at the Argyle Deposit, with the initial 525 metres in the western portion of the deposit intersecting approximately the same thickness of previous drilling in this area but with approximately 25% higher grades.
- On April 1, 2019, the Company strengthened its senior management its executive management team with the appointment of Kevin Bullock as Chief Executive Officer, who brings a tremendous amount of capital markets and underground mine development experience. Dustin Angelo will remain with the Company as President and will focus on the operations as well as building the Company's ancillary business opportunities.
- In March 2019, the Company executed a $5 million term loan with the Royal Bank of Canada ("RBC") with a two-year term and 4.6% interest rate, to provide enhanced financial flexibility and to complete all pre-construction activity at its 100%-owned Goldboro Gold Project in Nova Scotia ("Goldboro").
- As at March 31, 2019, the Company had a cash balance of $10.7 million, working capital* of $4.6 million, and additional available liquidity of $1,000,000 from an undrawn revolving line of credit facility.

**Refer to Non-IFRS Measures section below for reconciliation.*

2019 Guidance

Anaconda is projecting to produce and sell between 19,000 and 20,000 ounces of gold in 2019, which at a budgeted gold price of $1,600 (approximately US$1,200) will generate approximately $30.0 million of revenue. The Company remains on track to achieve guidance from continued mining at Stog'er Tight and pushbacks to the Pine Cove Pit, and the commencement of mining at Argyle in the second half of the year. While the final mining permits for Argyle are pending, the Company continues to finalize a mineral resource update and mine planning, which will incorporate the additional drilling completed since the last Mineral Resource Estimate as well as ongoing infill drilling. Mill throughput will be maintained throughout the year with marginal ore stockpiles available to supplement mill feed, although the Company continues to investigate opportunities to defer processing marginal ore.

Operating cash costs for the full year are expected to be between $1,050 and $1,100 per ounce of gold sold (US$800 - US$835 at an approximate exchange rate of 0.76), which is consistent with historical levels and slightly higher than previous year guidance due to the processing of relatively lower-grade ore from the Pine Cove Pit pushbacks, and marginal stockpiles.

First Quarter 2019 Review

Anaconda sold 5,251 ounces of gold during the first quarter of 2019, generating gold revenue of $8.8 million at an average realized gold price[1] of $1,671 per ounce sold. The 16% increase in gold sold over Q1 2018 was due to ounces in gold doré inventory from year-end being sold in January. Gold production of 4,176 ounces was 3% lower than Q1 2018, largely from the impact of lower mill availability due to planned maintenance on the main ball mill and unplanned maintenance for the regrind mill due to delayed shipment of trunnion liners, and the consequent decision to accelerate other maintenance programs (see details below). The Pine Cove Mill returned to operation during the first week of April. While the lower availability and the resulting throughput rate impacted quarterly production from a timing perspective, the Company was able to minimize gold recovery losses and greatly improve asset reliability and efficiency going forward. Further, mining operations continued during this period and the operation has established a robust stockpile of over 30,600 tonnes as at quarter-end.

Point Rousse Mill Operations – The Pine Cove Mill processed 79,758 tonnes during Q1 2019, down 27% compared to the first quarter of 2018 due to lower mill availability from a combination of the planned maintenance on the main ball mill with routine replacement of the mill liners, lifters and trunnions and delayed shipment of trunnion liners and unplanned maintenance on the head of the regrind mill. The failure of the regrind mill also impacted the throughput rate during the quarter, in addition to adverse weather conditions in the earlier part of the quarter impeding the rate of crushing.

When the regrind mill was taken off-line, a back-up stirred media detritor ("SMD") system was initiated to maintain a certain level of throughput, however it was noted that the system was not able to maintain the optimal grind size and leach capabilities, leading to recovery losses. To minimize any loss of gold production, the mill temporarily ceased operations to allow for the completion of rebuild of the regrind mill head and to opportunistically complete many significant maintenance programs, including the replacement of the trunnion liners and a full lifter and liner change on the primary ball mill, the repair of the electric motor on the primary ball mill, repairs to the screen box in the crushing circuit, and the replacement of valves and piping in the flotation circuit.

Average grade during Q1 2019 was 1.92 g/t, a 33% increase over the first quarter of 2018, and consistent with the fourth quarter of 2018 when Stog'er Tight became the main ore feed to the Pine Cove Mill. The mill achieved an average recovery rate of 84.8%, resulting in gold production of 4,176 ounces for the first quarter of 2019. The average recovery rate decreased compared to both Q1 2018 and the fourth quarter of 2018, as leach recoveries were impacted by the absence of the regrind mill in March, and the back-up SMD system was not able to maintain the optimal grind size. In February, when ore feed was predominantly from Stog'er Tight and the regrind mill was on-line, the mill achieved an average recovery of 88.5%.

Point Rousse Mine Operations – During the first quarter of 2019, the mine operations produced 77,367 tonnes of ore from the Stog'er Tight Mine. Mine operations also included 45,120 tonnes of waste from pushbacks at the Pine Cove Pit, where development activity is ongoing in preparation for mining in the second quarter. Ore tonnes for the quarter were higher than expected, with production results demonstrating a positive variance against the block model underlying the mine plan. As at March 31, 2019, the operation had stockpiled over 30,600 tonnes of ore with an estimated average grade of 1.73 g/t.

The mine operations achieved a strip ratio of 3.6 waste tonnes to ore tonnes at Stog'er Tight, a decrease from the previous two quarters as mining progresses deeper into the pit. The strip ratio was expected to increase in the first quarter of 2019 with the development of pushbacks to the Pine Cove Pit, however increased ore recovery from the Stog'er Tight west pit compared to the mine plan due to localized ore flattening and rolling, weather, and the timing of the addition of a second mining crew has deferred the related waste development into the second quarter. The strip ratio has increased compared to Q1 2018, when higher-tonnage mining was occurring in the final benches at the bottom of the Pine Cove Pit.

Financial Performance

	Three months ended March 31, 2019	Three months ended March 31, 2018
Revenue	**8,776,703**	7,596,600
Cost of operations		
Operating expenses	**4,886,614**	4,074,347
Royalties	**248,295**	-
Depletion and depreciation	**1,319,785**	1,437,006
Total cost of operations	**6,454,694**	5,511,353
Mine operating income	**2,322,009**	2,085,247

Anaconda sold 5,251 ounces of gold during the first quarter of 2019, generating gold revenue of $8.8 million, and had 749 ounces in gold doré bars in inventory at March 31, 2019, which were sold in early April.

Operating expenses for the three months ended March 31, 2019 were $4,886,614, compared to $4,074,347 in the three months ended March 31, 2018. Operating expenses were higher due to relatively higher haulage costs from Stog'er Tight in 2019, compared to the comparative period when the Company was mining from the Pine Cove Mine which is closer to the mill. Operating expenses were also lower in Q1 2018 due to the capitalization of approximately $470,000 in Stog'er Tight development costs. Operating cash costs per ounce sold in the first three months of fiscal 2019 were $977 (US$735), below the Company's 2019 annual operating cash cost guidance of C$1,050-C$1,100, due to the strong number of gold ounces sold. Operating expenses in Q1 2019 also included a royalty expense of $248,295 on production from Stog'er Tight, which carries a 3% net smelter return royalty, compared to $nil in the previous year as the Pine Cove Mine is not subject to a royalty.

Depletion and depreciation expense for the first three months of fiscal 2019 was $1,319,785, a decrease from $1,437,006 during the comparative period. The lower depletion and depreciation was the result of lower ounces produced in the quarter.

Mine operating income for the three months ended March 31, 2019 was $2,322,009, compared to $2,085,247 in the corresponding period of 2018, with higher comparable operating costs during Q1 2019 being offset by higher gold sales.

Corporate administration expenditures were $1,013,180 for the first three months of fiscal 2019, down from $1,094,354 for the comparative period. Corporate administration includes senior management and corporate compensation, regulatory and listing costs, marketing and investor relations, and general office expenses. The Company also recorded a net recovery of research and development costs of $129,558 relating to funding received from the Atlantic Innovation Fund for the narrow vein mining research project.

Share-based compensation was $110,765 during Q1 2019, compared to $150,473 in the three months ended February 28, 2017, reflecting the share units granted during the quarter, which are subject to shareholder approval at the Company's Annual and Special General Meeting of Shareholders to be held on May 15, 2019. Stock-based compensation was higher in the comparative period due to greater vesting expense of the stock options granted during the three months ended March 31, 2018.

In Q1 2018, the Company recorded a recovery of $156,872 as a deferred premium on flow-through shares, representing the proportion of the remaining qualifying exploration expenditures that were spent from the October 31, 2017 flow-through financing in the three months ended March 31, 2018.

Finance expense for the quarter was $36,156 for Q1 2019, compared to $34,805 for the three months ended March 31, 2018. Finance costs relate primarily to interest on the Company's lease obligations and accretion on its decommissioning liabilities.

Net comprehensive income for the three months ended March 31, 2019, was $1,157,851, or $0.01 per share, compared to $149,218, or $0.00 per share. The improvement compared to the three months ended March 31, 2018 was the result of higher mine operating income, as well as a net income tax recovery, as the Company recorded a current income tax expense of $268,163 relating to provincial mining tax and a deferred income tax recovery of $102,000 during the three months ended March 31, 2019 (three months ended March 31, 2018 – $473,000 and expense of $262,000, respectively).

Company Strategy and Outlook

Anaconda Mining is an established gold producer in the stable, low-risk jurisdiction of Atlantic Canada with two mine operating centers and a strong production growth profile in the near-term, with the aim of growing to annual production of 100,000 ounces per annum over the next 3 to 5 years. The Company has been producing profitably in Newfoundland for over 9 years, and has developed the infrastructure, management team, and experienced workforce to serve as the platform for near-term growth.

Major highlights and progress during Q1 2019 to advance the Company's strategy include the following (further detailed below):

- The Company strengthened its executive management team with the appointment of Kevin Bullock as Chief Executive Officer, a Professional Engineer with over 30 years of senior mining experience, encompassing mine development and operations, exploration and capital markets.
- In February, the Company commenced a Feasibility Study for the Goldboro Gold Project, retaining WSP Canada Inc. ("WSP") to lead the Study and work on the mine design, project infrastructure, and economics, and Ausenco Solutions Canada Inc. ("Ausenco") to support WSP with respect to process optimization and mill design for the Study.
- Completed the mining of a 10,000-tonne underground bulk sample at Goldboro in January 2019. The Company intends to barge the material to Point Rousse, Newfoundland, in the second quarter of 2019, once transport conditions are favourable, where the material will be processed at Anaconda's Pine Cove Mill. The Company will report full Bulk Sample results shortly thereafter.
- Initiated a 5,000 metre drill program at Goldboro to expand the East Goldbrook Gold System and better define the extents of the high-grade plunging chutes previously intersected, and also infill drilling portions of the Boston Richardson Gold System with the goal of converting high-grade Inferred Resources to Indicated Resources.
- Initiated an infill drill program at Argyle to better define portions of the deposit planned for development in 2019. The results from the western portion of the Argyle Deposit confirmed mineralization as outlined in the existing Mineral Resource, at approximately the same thickness of previous drilling in this area but with grades approximately 25% greater. The results from the eastern portion of the Argyle Deposit intersected mineralization as outlined in the Mineral Resource at approximately the same thickness of previous drilling in this area, including **12.76 g/t gold over 6.0 metres** in hole AE-19-122, and **2.69 g/t gold over 10.0 metres** in hole AE-19-131.
- Announced the results of a mineral resource expansion and exploration program in the Baie Verte Mining District, successfully infilling and extending mineralization near the margins of the existing pit outlines at the Pine Cove and Stog'er Tight deposits.

THE GOLDBORO GOLD PROJECT, NOVA SCOTIA

The Goldboro Gold Project ("Goldboro") is a 100%-owned, high-grade Mineral Resource located in Guysborough County, Nova Scotia, located approximately 180 kilometres northeast of Halifax. The property comprises 37 contiguous claims, covering 600 hectares. The Goldboro Mineral Resources occur in three spatially contiguous zones along the Upper Seal Harbour anticline. These comprise the total "Goldboro Deposit" and consist of the Boston Richardson Zone, the East Goldbrook Gold Zone ("EG Gold System"), and the West Goldbrook Zone ("WG Gold System").

➢ Moving Towards Goldboro Development

In 2019 at the Goldboro Gold Project, Anaconda is committed to completing and publish a full feasibility study on the Project, and in parallel continue with the permitting process such that Goldboro is in a shovel-ready state by the end of Q1 2020. In February 2019, Anaconda commenced a feasibility study of the Project (the "Study"), which will incorporate the data from the Bulk Sample and include the results of the first 22,000 metres of diamond drilling that was completed from June 2017 to December 2018. The Company also expects to generate a new mineral resource estimate as part of the Study, which is expected to be completed in Q3 2019. The Company has retained WSP Canada Inc. ("WSP") to lead the Study and work on the mine design, project infrastructure, and economics. Ausenco Solutions Canada Inc. ("Ausenco") has also been engaged to support WSP with respect to process optimization and mill design for the Study (Ausenco was involved in the engineering and construction of Atlantic Gold Corporation's mill at the Moose River Consolidated Project in Nova Scotia). The Study will also incorporate additional metallurgical testing, performed by Base Metallurgical Laboratories Ltd, based in Kamloops, British Columbia, using samples taken from the Boston-Richardson and East Goldbrook gold systems during the Bulk Sample extraction and recent diamond drilling. The Study is expected to be completed and filed in Q4 2019.

Since February of 2018, Anaconda has been working through the permitting process in the Province of Nova Scotia, and has engaged the assistance of GHD Limited ("GHD"), who had worked with Atlantic Gold Corporation during its permitting of the Moose River Consolidated Project. In August 2018, the Company submitted its Environmental Assessment application and is currently compiling further information required by the various regulators in the Terms of the Reference ("TOR") issued on October 15, 2018. In addition, the Company has submitted the application for the Crownland Lease and is advancing the applications for a Mineral Lease and Industrial Approval. Based on progress to date and continued communication with relevant government departments and regulators, Anaconda expects to secure all permits by the end of Q1 2020, with the aim of beginning site construction in mid-2020 with commercial production to follow in mid-2021.

➢ **Expanding the Mineral Resource**

On December 10, 2018, the Company filed an updated Mineral Resource Estimate (“Mineral Resource”) prepared in accordance with National Instrument 43-101 ("NI 43-101") for Goldboro, which incorporates 12,356 metres of drilling conducted by Anaconda up to June 2018, focused exclusively on infill and expansion drilling in the Boston Richardson and East Goldbrook Zones.

Resource Type	**Au Cut-off (g/t)**	**Category**	**Tonnes (Rounded)**	**Au (g/t)**	**Troy Ounces (Rounded)**
Open Pit	0.50	Measured	608,700	2.80	54,900
		Indicated	247,600	3.72	29,600
		Measured and Indicated	**856,300**	**3.07**	**84,500**
		Inferred	**58,500**	**4.10**	**7,700**
Underground	2.00	Measured	1,003,100	5.10	164,400
		Indicated	1,918,600	5.74	353,800
		Measured and Indicated	**2,921,700**	**5.52**	**518,200**
		Inferred	**2,067,900**	**6.70**	**445,500**
Combined Open Pit and Underground	0.50/2.00	Measured	1,611,800	4.23	219,300
		Indicated	2,166,200	5.50	383,400
		Measured and Indicated	**3,778,000**	**4.96**	**602,700**
		Inferred	**2,126,400**	**6.63**	**453,200**

Mineral Resource Estimate Notes
1. *Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards (2014). Mineral Resources that are not mineral reserves do not have demonstrated economic viability.*
2. *Open pit Mineral Resources are reported at a cut-off grade of 0.5 g/t gold that is based on a gold price of CAD$1,550/oz. and a gold processing recovery factor of 95%.*
3. *Underground Mineral Resource is reported at a cut-off grade of 2.0 g/t gold that is based on a gold price of CAD$1,550/oz. and a gold processing recovery factor of 95%.*
4. *Appropriate mining costs, processing costs, metal recoveries, and inter ramp pit slope angles were used by WSP to generate the pit shell.*
5. *Appropriate mining costs, processing costs, metal recoveries and stope dimensions were used by WSP to generate the potential underground resource.*
6. *Rounding may result in apparent summation differences between tonnes, grade, and contained metal content.*
7. *Tonnage and grade measurements are in metric units. Contained gold ounces are in troy ounces.*
8. *Contributing assay composites were capped at 80/g/t Au.*
9. *A density factor of 2.7g/cm^3 was applied to all blocks.*

The Mineral Resource was prepared by WSP Canada Inc. ("WSP") under the supervision of Todd McCracken, P. Geo., an "Independent Qualified Person", as defined in NI 43-101. The effective date of this Mineral Resource is July 19, 2018 and includes historical diamond drilling as well as 12,356 metres of drilling conducted by Anaconda in the Boston Richardson and East Goldbrook Zones up to June 2018.

In the second half of 2018, the Company also completed a 10,000 metre drill program which successfully extended the Boston Richardson Gold System over 350 metres of strike and to depths of 525 metres. Drilling expanded two mineralized zones an additional 200 metres along strike and expanded five other zones over 350 metres along strike. The drill program also successfully infilled the West Goldbrook Gold System over 400 metres of existing strike length and extended the WG Gold System 200 metres to a depth of 450 metres, encountering 23 occurrences of visible gold and mineralization characteristic of the Goldboro Gold Deposit. These drill results will be incorporated into an updated Mineral Resource Estimate and will form the basis of the Project Feasibility Study.

In Q1 2019, the Company initiated another 5,000-metre drill program at Goldboro, which will focus on expansion drilling in the EG Gold System with the goal of growing resources and better defining the extents of the high-grade plunging chutes intersected in the recent EG Drill Program. The drill program will also focus on infill drilling portions of the Boston Richardson Gold System with the goal of converting high-grade Inferred Resources to Indicated Resources. The 5,000-metre diamond drill program will be funded using the proceeds of a flow-through financing completed in July 2018.

- **Preliminary Economic Assessment ("PEA")**

On December 10, 2018, the Company also filed an updated PEA for Goldboro. The updated PEA ***does not incorporate*** updates to the Mineral Resource as at July 19, 2018. With the increase in Mineral Resources, Anaconda believes there is the potential for increased mine life at the Project and higher potential future mill throughput and grades, which will be assessed in future studies.

Based on a long-term gold price assumption of C$1,550 (US$1,250 per ounce at an exchange rate of approximately 0.80 USD:CAD), highlights of the PEA are as follows:

- Pre-tax NPV (5%) of **$137 million** and a pre-tax IRR ("IRR") of **38%,** with a pre-tax payback period of **2.9** years;
- After-tax NPV (5%) of **$88 million** and an after-tax IRR of **29.3%**, with an after-tax payback period of **3.3** years;
- Gold production of **375,900 ounces** over a life of mine of **8.8 years**, with peak underground production of over **60,000 ounces**;
- LOM average operating cash cost of **$654 per ounce (~US$525 per ounce)** and all-in sustaining cash cost of **$797 per ounce (~US$640 per ounce)** at an 0.80 USD:CAD exchange rate; and
- The Project has pre-production capital expenditures of **$47 million** to establish the proposed initial open pit operations prior to underground development and production.

The PEA demonstrates a robust mine operation that has strong leverage to increasing gold prices as follows:

After-Tax NPV* ($M)		**Gold Price (C$ / Ounce)**				
		$1,450	**$1,500**	**Base Case $1,550**	**$1,600**	**$1,700**
Discount Rates	0%	$101	$114	**$127**	$140	$166
	5%	$67	$78	**$88**	$99	$119
	Base Case 7%	$56	$66	**$76**	$85	$105
	10%	$42	$51	**$60**	$68	$85
IRR %		24	27	**29**	32	37
Payback – Years		3.6	3.4	**3.3**	3.1	2.9

Readers are cautioned that the PEA is preliminary in nature, it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

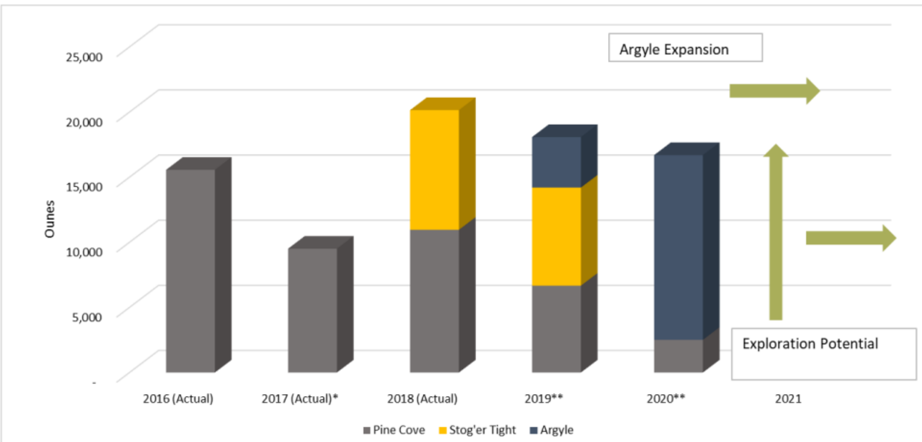
THE POINT ROUSSE PROJECT, NEWFOUNDLAND

The Point Rousse Project is located in the Baie Verte Mining District in the north-central part of Newfoundland. Point Rousse includes the Stog'er Tight open pit mine operation, the Pine Cove open pit, and the Argyle Development Project. Point Rousse is anchored by complete mill infrastructure with current throughput of 1,300 – 1,400 tonnes per day and a fully permitted and operational in-pit tailings storage facility with 15 years of capacity at existing throughput rates.

➢ Production and Mineral Resource Plan

In 2019, the Company is projecting to produce and sell between 19,000 and 20,000 ounces of gold from continued mining at Stog'er Tight and pushbacks to the Pine Cove Pit. Development at Argyle is expected towards the middle of the year, with ore production commencing in the third quarter. The Argyle project has been released from environmental assessment and is working towards the receipt of final permits. Mill throughput is expected to remain consistent throughout the year, with marginal ore stockpiles available to supplement mill feed, although the Company continues to investigate opportunities to defer marginal ore feed. Operating cash costs for the full year are expected to be between $1,050 and $1,100 per ounce of gold sold (US$800 - US$835 at an approximate exchange rate of 0.76).

The current Mineral Resource plan for the Point Rousse Project is as follows:



* 2017 reflects a seven-month stub year ending December 31, 2017

** Based on the Measured and Indicated Mineral Resources from the "NI 43-101 Technical Report, Mineral Resource and Mineral Reserve Update on the Point Rousse project Baie Verte, Newfoundland and Labrador, Canada" Effective Date: December 31, 2017.

Anaconda is confident that it will continue to extend the life of the Point Rousse operation, and in June 2018 the Company announced plans for a resource expansion and exploration program for the second half of 2018. This program included drill programs aimed at the infilling and expansion of mineralization near the margins of the existing pit outlines at the Pine Cove and Stog'er Tight deposits, and the infilling and expansion of the Argyle Deposit.

Specific to the Pine Cove and Stog'er Tight mining areas, a total of 33 drill holes successfully infilled and extended mineralization near the margins of the existing pit outlines at both mines. The Company extended the strike of the shallow, southern end of the Pine Cove Deposit, by approximately 100 metres, and extended mineralization in the Northwest Extension of the Pine Cove Deposit by 75 metres. At Stog'er Tight, the Company confirmed mineralization, including visible gold occurrences, adjacent to the ultimate pit design, down dip of the current mineral reserves.

Highlights from the Drill Program include:

Stog'er Tight:

- 6.45 g/t gold over 5.0 metres (65.0 to 70.0 metres) in hole BN-18-288;
- 1.89 g/t gold over 12.0 metres (64.0 to 76.0 metres) in hole BN-18-290; and
- 2.46 g/t gold over 8.0 metres (79.8 to 87.8 metres) in hole BN-18-292.

Pine Cove:

- 2.50 g/t gold over 9.0 metres (17.0 to 26.0 metres) in hole PC-18-271;

- 1.73 g/t gold over 9.0 metres (5.0 to 14.0 metres) in hole PC-18-281; and
- 1.50 g/t gold over 5.0 metre (10.0 to 15.0 metres) in hole PC-18-269.

During the first half of 2019, work will begin to incorporate these drill results into the respective resource models and determine the possibility of extending the mining operations at Pine Cove and Stog'er Tight beyond the existing mineral resource plan.

The Company has also completed a drill program focused on the infilling and expansion of the **Argyle Deposit**, which is located 4.5 kilometres from the Pine Cove Mill and the area is accessible by existing road networks. The Company has been released from environmental assessment and is working towards the start of development in the second half of 2019.

The Company is undertaking an infill drill program at Argyle to better define portions of the deposit planned for development, and announced the initial results from the western portion of the Argyle Deposit comprise 12 holes totaling 525 metres of diamond drilling, which intersected mineralization as outlined in the existing Mineral Resource. Mineralization intersected in holes AE-18-98 to AE-19-109 is approximately the same thickness of previous drilling in this area but with grades approximately 25% greater than previous drilling in this area of the deposit. Highlights from the western portion of the Argyle Infill Program include:

- 6.17 g/t gold over 8 .0 metres (3.0 to 11.0 metres) in hole AE-19-107;
- 2.32 g/t gold over 7.0 metres (8.0 to 15.0 metres) in hole AE-18-98; and
- 1.15 g/t gold over 8.0 metres (3.0 to 11.0 metres) in hole AE-18-100.

EXPLORATION

With continued focus on gold production from Point Rousse and the development of Goldboro, Anaconda is reviewing strategic options to maximize the value its prospective exploration projects. In conjunction with the optioning of the Cape Spencer Gold Property in New Brunswick in September 2018, the Company created a new wholly-owned subsidiary ("ExploreCo"), with a mandate to identify strategic options to unlock the value of these assets for shareholders through a separate vehicle, allowing Anaconda to focus on its core mining and development operations. Anaconda has also contributed its Great Northern Project to ExploreCo. In January 2019, the Company announced updated Mineral Resource Estimates for the Great Northern and Cape Spencer Gold Projects. Mineral Resource Estimate highlights include:

Great Northern Project

- The Rattling Brook Deposit has an Inferred Mineral Resource Estimate of 5,460,000 tonnes at an average grade of 1.45 g/t gold for 255,000 contained ounces at a cut-off grade of 1.0 g/t gold;
- The nearby Thor Deposit has a current Indicated Mineral Resource Estimate of 1,817,000 tonnes at an average grade of 1.42 g/t gold for 83,000 contained ounces and an Inferred Mineral Resource Estimate of 847,000 tonnes at an average grade of 1.15 g/t gold for 31,000 contained ounces at a cut-off grade of 0.5 g/t gold.

Cape Spencer Project

- The Cape Spencer Deposit has an Inferred Mineral Resource Estimate of 1,720,000 tonnes at an average grade of 2.72 g/t gold for 151,000 contained ounces in the Northeast and Pit Zones;
    - Inferred Mineral Resource of 740,000 tonnes at an average grade of 4.07 g/t gold, for 96,000 contained ounces at a cut-off grade of 2.5 g/t gold in a conceptual underground development at the Northeast Zone; and
    - Inferred Mineral Resource of 990,000 tonnes at an average grade of 1.71 g/t gold, for 54,000 contained ounces at a cut-off grade of 0.5 g/t gold in a conceptual open-pit at the Pit Zone.

Liquidity and Capital Resources

Anaconda has managed liquidity by achieving positive cash flows from the Point Rousse Project, flow-through financing and equipment leases and loans. The Company's primary uses of cash include operating production costs, sustaining capital and growth expenditures, exploration and corporate expenses.

(In $)	**March 31, 2019**	December 31, 2018
Cash and cash equivalents	**10,656,289**	6,425,129
Inventory	**4,931,080**	4,906,935
Other current assets	**1,732,846**	1,455,177
	17,320,215	12,787,241
Trade and other payables	**6,421,461**	7,637,312
Current taxes payable	**1,269,163**	1,001,000
Current portion of loans	**3,221,832**	804,770
Other current liabilities	**1,820,567**	146,319
	12,733,023	9,589,401
Working capital*	**4,587,192**	3,197,840

**** Refer to Non-IFRS Measures section***

As at March 31, 2019, the Company continued to maintain a robust working capital position of $4,587,192, which included cash and cash equivalents of $10,656,289. The higher cash balance reflects the impact of the $5,000,000 term loan from the Royal Bank of Canada ("RBC") and a $1,727,500 gold prepayment with Auramet International LLC, offset by the continued investment of flow-through dollars into exploration programs and the continued advancement of the Goldboro Gold Project. The term loan is subject to an existing general security agreement with RBC and a debt service coverage ratio covenant to be measured on an annual basis, based on a ratio of a measure of earnings to interest expense and scheduled principal payments. The term loan was arranged with the support of Export Development Canada, to whom the Company will pay a 1.85% guarantee fee with respect to a guarantee issued over half the principal amount. Trade and other payables were down from year-end, primarily due to the ongoing payments relating to the underground bulk sample at Goldboro.

The Company maintains a $1,000,000 revolving credit facility as well as a $750,000 revolving equipment lease line of credit with RBC. Under the terms of the Agreement, RBC maintains a first-ranking general security agreement including a specific security interest in the Company's ball mill and cone crushers. As at March 31, 2019, the Company had not drawn against the revolving credit facility.

Cash Flow Analysis

In Q1 2019, Anaconda generated cash flow from operations of $4,135,074. Revenue less operating expenses from the Point Rousse Project were $3,890,089, based on quarterly gold sales of 5,251 ounces at an average price of C$1,671 per ounce sold and operating cash costs of $977 per ounce sold. Corporate administration costs in the first quarter were $1,013,180 and there was a net increase in operating cash flows of $1,390,711 from changes in working capital. Unearned revenue increased $1,727,500 from a prepayment agreement with Auramet International LLC, in which the Company will deliver 1,038 ounces of gold from June 2019 to July 2019.

During the first quarter of 2019, the Company continued to invest in its key growth projects in Newfoundland and Nova Scotia. The Company spent $4,357,390 on exploration and evaluation assets (adjusted for amounts included in trade payables and accruals at March 31, 2019), which includes $3,854,831 on the continued advancement of the Goldboro Project and $368,952 on the Argyle Resource at Point Rousse. The Company also invested $289,177 into the property, mill and equipment at the Point Rousse Project, with capital investment focused on development activity on a pushback of the Pine Cove Mine.

Financing activities in the first three months of 2019 were limited to the proceeds from the $5,000,000 term loan with RBC, with a 2-year term bearing interest at 4.6% per annum, and the repayment of lease obligations and government loans.

Commitments

As of March 31, 2019, the Company has the following contractual obligations:

	1 year	1 - 3 years	More than 3 years	**Total**
	$	$	$	**$**
Trade payables and accrued liabilities	6,421,461	-	-	**6,421,461**
RBC loan	2,422,064	2,546,686	-	**4,968,750**
Provincial government loan	80,724	140,065	-	**220,789**
Federal government loan	100,800	147,200	-	**248,000**
Lease liabilities	472,072	386,668	21,765	**880,505**
Other loans	146,172	-	-	**146,172**
Flow-through commitment	1,348,425	-	-	**1,348,425**
Interest payable	238,792	90,250	-	**329,042**
	11,230,510	3,310,869	21,765	**14,563,144**

As at March 31, 2019, the Company has a commitment to spend $1,348,425 of flow-through funds on eligible exploration expenses, related to the private placement completed in June 2018.

In March 2019, the Company locked into forward sales on a delivery basis for 705 ounces of its production for April 2019. The gold price for the orders was locked in at an average of $1,744 per ounce with delivery in April 2019.

The Company has royalty obligations on its various mineral properties as follows:

- A net smelter return (“NSR”) of 3% is payable to a third-party on gold sold from the Stog’er Tight Property.
- A $3,000,000 capped NSR on 4 mineral exploration licenses in the Point Rousse Project, which forms part of the Argyle property, is calculated at 3% when the average price of gold is less than US$2,000 per ounce for the calendar quarter and is 4% when the average price of gold is more than US$2,000 per ounce for the calendar quarter.
- A $3,000,000 capped NSR of 3% on a property that forms part of the Argyle Property. Once the aggregate limit has been met and 200,000 ounces of gold has been sold from the property, the NSR decreases to 1%.
- A net profits interest (“NPI”) agreement over the Point Rousse Mining Leases with Royal Gold Inc. whereby the Company is required to pay Royal Gold Inc. 7.5% of net profits, calculated as the gross receipts generated from the claims less all cumulative development and operating expenses. At March 31, 2019, the Company has determined it has approximately $32 million in expenditures deductible against future receipts.

The Company also has royalties payable to various vendors of mineral leases located outside the currently anticipated mining areas.

In June 2017, the Company commenced a research and development project to potentially develop new technology to mine steeply-dipping narrow gold veins (the “Narrow Vein Mining Project” or the “Project”). The total Project cost is estimated at $3,787,000, of which over $2,000,000 will be funded through agreements in place with various government agencies.

Off-Balance Sheet Items

As at March 31, 2019, the Company did not have any off-balance sheet items.

Outstanding Share and Equity Instrument Information

The Company's share capital and equity instruments outstanding comprised the following:

	March 31, 2019	December 31, 2018
Authorized: Unlimited number of common shares		
Issued: Fully paid common shares	**118,794,118**	118,766,635
Issued: Common share purchase warrants	**16,272,571**	16,360,071
Issued: Stock options	**8,297,875**	8,310,375
Issued: Share units	**2,415,500**	-

As at the date of this MD&A, the full paid common shares outstanding of Anaconda was 118,794,118.

Warrants

As at March 31, 2019, the Company had 16,272,571 share purchase warrants outstanding with a weighted average exercise price of $0.40, which includes 8,155,750 common share purchase warrants assumed as part of the acquisition of Orex Exploration Inc., which have a weighted average exercise price of $0.29.

During the three months ended March 31, 2019, 87,500 warrants expired unexercised.

Stock Options

As at March 31, 2019, the Company has a total of 8,297,875 options outstanding with a weighted average exercise price of $0.28 and expiration dates ranging from June 10, 2019 to June 20, 2023, which include 2,815,625 stock options assumed by the Company in connection with the acquisition of Orex Exploration Inc.

During the three months ended March 31, 2019, 12,500 options expired unexercised. Subsequent to March 31, 2019, 137,500 options expired unexercised.

Share Units

In December 2018, the Company's Board of Directors approved the adoption of a share unit plan (the "Share Unit Plan"), subject to approval of the shareholders of the Company at the Company's Annual and Special General Meeting of Shareholders to be held on May 15, 2019. The Share Unit Plan provides for the issuance of share units to directors, officers, employees, and consultants of the Company. Share units are units representing the right to receive one common share (subject to adjustments) issued from treasury per share unit. As of March 31, 2019, 2,415,000 share units were outstanding, all of which are subject to approval by the shareholders of the Company.

During the three months ended March 31, 2019, 2,440,500 share units were granted to directors, officers, employees, and consultants of the Company at an average fair value of $0.27, and 25,000 share units were forfeited. Subsequent to March 31, 2019, 300,000 share units were granted and 100,000 share units were forfeited.

Financial Instruments Risk Exposure

The Company is exposed to financial risks sensitive to changes in commodity prices, foreign exchange, and interest rates. The Company's Board of Directors has overall responsibility for risk management oversight. Currently, the Company has not entered into any options, forward, and future contracts to manage its price-related exposures. Similarly, derivative financial instruments are not currently used to reduce these financial risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk
The Company's credit risk is primarily attributable to trade and other amounts receivable, which consist primarily of goods and services tax due from the Federal Government of Canada. The maximum exposure of credit risk is best represented by the carrying amount of the financial instruments. The Company considers credit risk negligible.

The Company's cash and restricted cash are held with an established Tier-1 Canadian financial institution, and consequently management believes that the credit risk with respect to this financial instrument is low and that the Company has no significant concentration of credit risk arising from operations.

Liquidity Risk
The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis; there are no significant payables that are outstanding past their due dates.

The Company undergoes an in-depth budgeting process each year which is supplemented by a continuous detailed cash forecasting process. Anaconda currently funds its obligations from the cash flow generated by the Point Rousse Project. If necessary, the Company may seek financing for capital projects or general working capital purposes. Such financing, if required, will depend on several unpredictable factors, which are often beyond the control of the Company. These would include the realized price of the actual gold produced from the Company's operating mines, and the expected expenditures for exploration and development.

At March 31, 2019, the carrying value and fair value amounts of the Company's financial instruments are approximately equal.

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements ("price risk").

Foreign Currency Risk
The Company's functional currency is the Canadian Dollar. The Company sells its gold production and transacts business using the Canadian Dollar.

There are minimal operational expenses incurred by the Company in US dollars. The assets and liabilities of the Company are recorded in Canadian dollars. As a result, management has assessed that fluctuations in the US dollar against the Canadian dollar are negligible to the financial results of the Company.

Interest Rate Risk
The Company has no interest-bearing assets and only fixed-interest debts. Anaconda invests excess cash, when available, in a cashable money market account. The Company reviews its interest rate exposure periodically, giving consideration to potential renewals of existing positions and alternative financial investments.

Equity Securities Risk
The Company is exposed to equity securities price risk because of investments held by the Company, which are concentrated in the Canadian junior mining sector. As at March 31, 2019, had the fair values of the investments at fair value through profit or loss increased or decreased by 10%, with all other variables held constant, net income would have increased or decreased by approximately $38,000.

Quarterly Information

During 2017, the Company announced a change to its fiscal year end to December 31, from its previous fiscal year end of May 31. Consequently, the Company has now reverted to a customary quarterly reporting calendar based on a December 31 financial year end, with fiscal quarters ending on the last day in March, September, September, and December each year. For the purposes of the presentation of historical quarterly information:

- "FY2017" refers to the twelve-month period ended May 31, 2017;
- "2017" refers to the seven-month period ended December 31, 2017, with the corresponding "Q1 2017" relating to the three months ended August 31, 2017, and "Q2 2017" relating to the four months ended December 31, 2017; and
- "2018" refers to the twelve-month period ended December 31, 2018.

($ thousands unless otherwise stated)	**Q1 2019**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q2 2017**	**Q1 2017**	**Q4 FY2017**
Revenue	8,777	9,759	6,924	7,452	7,597	8,042	8,127	7,831
Mine operating income	2,322	1,268	686	1,865	2,085	1,587	818	1,648
Net income (loss)	1,158	(356)	(936)	(550)	149	1,229	(324)	(1,890)
Net income (loss) per share (basic and diluted) *($ per share)*	0.01	(0.00)	(0.01)	(0.00)	0.00	0.01	(0.00)	(0.03)
Cash flow from operations	4,135	3,386	1,572	2,945	992	1,495	540	3,173
Total assets	64,803	57,942	56,156	54,379	50,607	49,928	44,710	46,074
Non-current liabilities	7,710	5,291	5,488	5,197	5,398	5,512	5,575	5,802

Related Party Transactions

Remuneration of Key Management and Transactions with Related Parties

Key management personnel include the members of the Board of Directors, the President and Chief Executive Officer, the Chief Financial Officer, and the Chief Operating Officer. Compensation of key management personnel (including directors) for the reporting period was as follows:

	Three months ended March 31, 2019	Three months ended March 31, 2018
Salaries, bonuses, fees and short-term benefits ($)	**353,102**	346,559
Share based compensation ($)	**67,356**	91,761
	420,458	438,320

As at March 31, 2019, included in trade and other payables is $42,000 (December 31, 2018 - $42,750) of amounts due for directors' fees.

Non-IFRS Measures

Anaconda has included in this MD&A certain non-IFRS performance measures as detailed below. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it 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.

Operating Cash Costs per Ounce of Gold – Anaconda calculates operating cash costs per ounce sold by dividing operating expenses per the consolidated statement of comprehensive income (loss), net of silver sales by-product revenue, by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however excludes depletion and depreciation and rehabilitation costs.

All-In Sustaining Costs per Ounce of Gold – Anaconda has adopted an all-in sustaining cost performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs, sustaining exploration, and rehabilitation accretion and amortization related to current operations. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments, and taxes. Canadian and US dollars are noted for realized gold price, operating cash costs per ounce of gold and all-in sustaining costs per ounce of gold. Both currencies are considered relevant and the Company uses the average foreign exchange rate for the period.

The operating cash costs per ounce and all-in sustaining costs per ounce are reconciled to the consolidated statement of comprehensive income as follows:

	Three months ended March 31, 2019	Three months ended March 31, 2018
Operating expenses per the consolidated statement of comprehensive income, including royalties	**5,134,909**	4,074,347
By-product silver sales credit	**(4,660)**	(6,458)
Operating cash costs ($)	**5,130,249**	4,067,889
Sustaining expenditures – property, mill and equipment	**289,177**	563,973
Sustaining expenditures – exploration and evaluation	**332,928**	338,280
Corporate administration costs	**1,013,180**	1,094,354
Share-based compensation	**110,765**	150,473
Rehabilitation – accretion and amortization (operating sites)	**11,159**	13,065
All-in sustaining cash costs (“AISC”) ($)	**6,887,458**	6,228,034
Gold ounces sold	**5,251**	4,526
Operating cash costs per ounce sold ($ / ounce)	**977**	899
AISC per ounce sold ($ / ounce)	**1,312**	1,376
Average US Dollar exchange rate during period	**0.7522**	0.7910
Operating cash costs per ounce sold (US$ / ounce)	**735**	711
AISC per ounce sold (US$ / ounce)	**987**	1,088

Average Realized Gold Price per Ounce Sold – In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist readers in evaluating the revenue received in a period from each ounce of gold sold.

Average realized gold price per ounce sold is reconciled to the consolidated statement of comprehensive income as follows:

	Three months ended March 31, 2019	Three months ended March 31, 2018
Gold revenue ($)	**8,772,043**	7,590,142
Gold ounces sold	**5,251**	4,526
Average realized gold price per ounce sold ($)	**1,671**	1,677
Average US Dollar exchange rate during period	**0.7522**	0.7910
Average realized gold price per ounce sold (US$)	**1,257**	1,327

Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”) - EBITDA is earnings before finance expense, current and deferred income tax expense and depletion and depreciation.

Point Rousse Project EBITDA is EBITDA before corporate administration and all other expenses and other income.

The EBITDA and Point Rousse Project EBITDA amounts are reconciled to the consolidated statements of comprehensive income as follows:

	Three months ended March 31, 2019	Three months ended March 31, 2018
Net income, per the consolidated statement of comprehensive income	**1,157,851**	149,218
Adjustments:		
Finance expense	**36,156**	34,805
Current income tax expense	**268,163**	473,000
Deferred income tax (recovery) expense	**(102,000)**	262,000
Depletion and depreciation	**1,319,785**	1,437,006
EBITDA	**2,679,955**	2,356,029
Corporate administration	**1,013,180**	1,094,354
Stock-based compensation	**110,765**	150,473
Deferred premium on flow-through shares	**-**	(156,872)
Other (income) expenses	**(32,548)**	8,644
Point Rousse Project EBITDA	**3,771,352**	3,452,628

Working Capital – Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets. Working capital is reconciled to the amounts in the consolidated statement of financial position in the Liquidity and Capital Resources section of this MD&A.

Risk Factors

The exploration, development and mining of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Anaconda is subject to several financial and operational risks that could have a significant impact on its cash flows and profitability. The most significant risks and uncertainties faced by the Company include: the ability to obtain or generate additional funding for development and exploration; the fluctuating price of gold; success of exploration, development and operations activities; health, safety and environmental risks and hazards; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; the potential of production and cost overruns; risks relating to obtaining and maintaining licences and permits; obligations as a public company; risks relating to government and taxation regulation; volatility in the market price of the Company's securities; risks relating to title and First Nations; risks relating to the construction and development of new mines; the availability of adequate infrastructure; limitations on insurance coverage; the prevalence of competition within the mining industry; currency exchange rates (such as the Canadian dollar versus the United States dollar); risks relating to potential litigation; risks relating to the dependence of the Company on outside parties and key management personnel; and risks from potential conflicts of interest. Risk related to taxation exists with respect to tax audits and the interpretation of tax regulations by the responsible tax authority. Possible areas of tax audit and interpretation may include the Company's judgements in respect of qualifying Canadian exploration expenses and the related tax deductions renounced to investors under flow-through common share financings.

The Company's ability to generate positive cash flow to generate returns and fund capital requirements and future growth and development is primarily dependent on the price of gold and the Company's ability to meet its production estimates at expected costs. The gold price is impacted by numerous macroeconomic factors outside of the Company's control, including but in no way limited to: global and regional political and economic conditions, supply and demand factors, inflation or deflation expectations, interest rate expectations, and central bank decisions. A sustained decrease in the price of gold would impact the Company's profitability, may result in mineral property write-downs and could eventually result in liquidity difficulties. Furthermore, actual production results may vary from Company estimates due to various factors, including but not limited to: mine dilution, lower than expected grades, recovery issues, power outages, weather related matters, or equipment and/or supply shortages. Lower than expected production could impact the Company's ability to generate cash flows to cover the cost of operations and fund sustainable capital expenditures. The Company mitigates the above risks by diligently tracking the gold price and production performance compared to forecast and budget and re-forecasting production plans accordingly so that required financial decisions can be made in a timely manner.

Readers are encouraged to read a full outline and description of the risk factors described in the Company's Annual Information Form for the year ended December 31, 2018 filed on SEDAR under the Anaconda Mining profile. The occurrence of any one, or combination of, the aforementioned risks could materially adversely impact the Company's business and as a result, the trading price of the Company's common shares could decline and investors could lose part or all of their investment.

Critical Accounting Estimates and Judgments

The Company's significant accounting policies are described in Note 2 to the condensed interim consolidated financial statements for the three months ended March 31, 2019, and Note 3 to the audited annual consolidated financial statements for the year ended December 31, 2018. The preparation of the consolidated financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated financial statements and reported amounts of expenses during the reporting period. Such estimates and assumptions affect the carrying value of assets and are based on historical experience and other factors considered relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The critical accounting estimates and judgments discussed below reflect updates from those applied and disclosed in the audited consolidated financial statements for the year ended December 31, 2018. For related details, please refer to the Company's consolidated financial statements, which are available on the Company's website and on SEDAR.

In June 2017, the Company commenced a research and development project to develop, prototype, and optimize a new technology to mine steeply-dipping narrow gold veins that cannot be mined cost-effectively with existing technologies (the "Narrow Vein Mining Project" or the "Project"). The Company has secured funding of over $2,000,000 for the Project, which includes $1,500,000 from the Atlantic Innovation Fund ("AIF"). Funding from the AIF is conditionally repayable based on revenues generated should the Project be commercially successful. Annual repayments, commencing January 1, 2020, will be calculated as a percentage of gross revenue generated, if any, from the application of the technology during the preceding year at 1.5%. Repayment of all or part of the AIF contributions may be required in the event of a default under the Company's agreement with the AIF. The determination of the probability of, amount and timing of future revenue, if any, significantly impacts the initial fair value of the loan, as well as the carrying value of the AIF loan at each reporting date. The significant assumptions used in determining the discounted cash flows include the probability of technical success of the Project, the ability to commercialize any resulting technology, the amount and timing of future revenue for the Corporation and the discount rate.

The Company is in the early stages of the Project; accordingly, determination of the potential technical success of the Project, and the amount and timing of any revenue streams requires significant judgment by management. As at March 31, 2019, the Company has received $198,575 from the AIF. The estimated fair value of the amount repayable is considered to be insignificant due to the level of uncertainty relating to the Company's ability to develop the technology, the successful field testing of the technology, and the ability to commercialize the technology. Accordingly, the Company has recognized the full amount as a credit to research and development expenses in the condensed interim consolidated statement of comprehensive income.

The initial fair value of the AIF amount repayable has been determined using a discounted cash flow analysis, which required a number of assumptions. The difference between the face value and the initial fair value of the AIF amount repayable was recorded in the consolidated statement of comprehensive income as research and development. The carrying amount of the AIF amount repayable will require adjustment to reflect actual and revised estimated cash flows whenever revised cash flow estimates are made or new information related to market conditions is made available. Management will recalculate the carrying amount at each period end by computing the present value of the estimated future cash flows at the original effective interest rate. Any adjustments will be recognized in the consolidated statement of comprehensive income as a finance expense after initial recognition.

Adoption of New Accounting Standards

The Company has adopted the following accounting standards, effective January 1, 2019. These adoptions were made in accordance with applicable transitional provisions, and resulted in the changes in accounting policies described in Note 2 of the condensed interim consolidated financial statements for the three months ended March 31, 2019.

- **IFRS 16 – Leases ("IFRS 16")** was issued by the IASB on January 13, 2016, and has replaced IAS 17, *Leases*. IFRS 16 will bring 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. IFRS 16 was adopted using the modified retrospective transition method as at January 1, 2019 without restatement of comparatives. The impact of the transition to IFRS 16 is disclosed in note 2 of the condensed interim consolidated financial statements.

- **IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments ("IFRIC 23")** was issued by the IASB on June 7, 2017. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. There were no changes to the consolidated financial statements as a result of the adoption of IFRIC 23.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information is gathered and reported to senior management, including the President and Chief Executive Officer (“CEO”) and the Chief Financial officer (“CFO”) on a timely basis so that appropriate decisions can be made regarding public disclosure.

Anaconda’s management, including the CEO and CFO, have as at March 31, 2019, designed Disclosure Controls and Procedures (as defined in National Instrument N1 52-109 of the Canadian Securities Administrators), or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the issuer is made to them by others, especially in a period where public filings are being prepared; and information required to be disclosed by the issuer 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 securities legislation.

The Company's management, with the participation of the CEO and the CFO, has evaluated the design of the Company's disclosure controls and procedures as defined in *National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings of the Canadian Securities Administrators* and has concluded that disclosure controls and procedures were effective as of March 31, 2019.

Internal Control over Financial Reporting

Anaconda’s management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the CEO and CFO and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management used the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) to design, and evaluate the effectiveness of, the Company’s internal controls over financial reporting for the year ended December 31, 2018. Based on this evaluation, management concluded that the Company’s internal control over financial reporting was operating effectively as at December 31, 2018 to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

Anaconda's management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

Cautionary Statement

This MD&A contains forward-looking information and forward-looking statements about Anaconda Mining Inc. under Canadian securities legislation. Except for statements of historical fact relating to the Company, forward-looking information includes, but is not limited to, information with respect to the Company's expected production from, and the further potential of, the Company's properties; the Company's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of mineral resources and mineral reserves; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral resource and reserve mineral estimates and the realization of such estimates. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: the requirement for additional funding for development and exploration; the fluctuating price of gold; success of exploration, development and operations activities; health, safety and environmental risks and hazards; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; the potential of production and cost overruns; obligations as a public company; risks relating to government and taxation regulation; volatility in the market price of the Company's securities; risks relating to title and First Nations; risks relating to the construction and development of new mines; the availability of adequate infrastructure; limitations on insurance coverage; the prevalence of competition within the mining industry; currency exchange rates (such as the Canadian dollar versus the United States dollar); risks relating to potential litigation; risks relating to the dependence of the Company on outside parties and key management personnel; and risks in the event of a potential conflict of interest.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Technical Information

The technical and scientific information relating to exploration activities disclosed in this document have been reviewed and approved by Paul McNeill, P. Geo., Vice President Exploration with Anaconda Mining Inc., a "Qualified Person" as defined under National Instrument 43-101.

The technical and scientific information relating to mining operations disclosed in this document have been reviewed and approved by Gordana Slepcev, P. Eng., Chief Operating Officer with Anaconda Mining Inc., a "Qualified Person" as defined under National Instrument 43-101.