Northway Resources

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JUNE 30, 2020

GENERAL

The purpose of this Management Discussion and Analysis ("**MD&A**") is to explain management's point of view regarding the past performance and future outlook of Northway Resources Corp. ("**Northway**" or the "**Company**"). This report also provides information to improve the reader's understanding of the financial statements and related notes as well as important trends and risks affecting the Company's financial performance, and should therefore be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes for the three months ended June 30, 2020 (the "**Financial Statements**") and the audited consolidated financial statements for the year ended March 31, 2020.

All information contained in this MD&A is current as of August 28, 2020 unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information on the Company is available on SEDAR at www.sedar.com and at the Company's website, www.northwayresources.com. The date of this MD&A is August 28, 2020.

FORWARD LOOKING STATEMENTS

Certain statements and information contained in this MD&A constitute "forward-looking statements" and "forward looking information" within the meaning of applicable securities legislation. Forward-looking statements and forward looking information include statements concerning the Company's current expectations, estimates, projections, assumptions and beliefs, and, in certain cases, can be identified by the use of words such as "**seeks**", "**plans**", "**expects**", "**is expected**", "**budget**", "**estimates**", "**intends**", "**anticipates**", or "**believes**", or variations of such words and phrases or statements that certain actions, events or results "**may**", "**could**", "**should**", "**would**", "**might**" or "**will**", "**occur**" or "**be achieved**", or the negative forms of any of these words and other similar expressions.

Forward-looking statements and forward-looking information contained or incorporated by reference in this MD&A may relate to the Company's future financial condition, results of operations, plans, objectives, performance or business developments including, among other things, potential property acquisitions, exploration and work programs, drilling plans and timing of drilling, the performance characteristics of the Company's exploration and evaluation assets, exploration results of various projects of the Company, projections of market prices and costs, supply and demand for gold, silver and other base metals, expectations regarding the ability to raise capital and to acquire resources and/or reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements and forward looking-information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements and information, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with the Company's current expectations; (3) the viability, permitting, access, exploration and, if warranted, development of the Healy Project and the Napoleon Project being consistent with the Company's current expectations; (4) political developments in the United States and the State of Alaska including, without limitation, the implementation of new mining laws and related regulations being consistent with the Company's current expectations; (5) the exchange rate between the Canadian dollar and the U.S. dollar being approximately consistent with current levels; (6) certain price assumptions for gold, silver and other base metals; (7) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (8) the results of the Company's exploration programs on the Healy

Project and the Napoleon Project being consistent with the Company's expectations; (9) labour and materials costs increasing on a basis consistent with the Company's current expectations; and (10) the availability and timing of additional financing being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to: the timing and availability of additional capital, fluctuations in the currency markets; fluctuations in the spot and forward price of gold, silver or other commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration activities; employee relations; the speculative nature of gold and silver exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold and/or silver bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements or forward-looking information made by, or on behalf of, the Company. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Forward-looking statements and forward-looking information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements and forward-looking information made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada including, but not limited to, the Financial Statements. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements or forward-looking information in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and forward-looking information, except to the extent required by applicable law.

The forward looking statements and forward-looking information contained herein are based on information available as of August 28, 2020.

OVERVIEW AND OVERALL PERFORMANCE

In August 2019, the Company completed its Initial Public Offering ("**IPO**") and is currently listed as a "mining issuer" on the Tier 2 of the TSX Venture Exchange ("**TSX-V**") under the symbol "NTW.V".

Mineral Projects

Currently, Northway holds interests in the Healy and Napoleon mineral projects located in Alaska, USA.

Healy Project

The Company's flagship Healy Project is comprised of 198 State of Alaska mining claims and 30 State Selected claims currently designated as Native Selected covering 14,550 hectares of land located approximately 180km southeast of Fairbanks or 70km east of Delta Junction, within the Goodpaster mining district (the "**Healy Project**"). The Goodpaster mining district is host to the world-class Pogo gold mine currently operated by Northern Star Resources Limited (ASX:NST).

In July 2018, the Company entered into an agreement (later amended in May 2019) with Newmont North America Exploration Limited ("**Newmont**") to acquire up to 70% of the property by incurring aggregate expenditures of US$4,000,000.

The Company is entitled to acquire a 70% interest in the Healy Project upon incurring aggregate expenditures of US$4,000,000 on the property during the phase 1 period of the Contribution ("**Phase 1**").

The following is a summary of the Contribution earn-in requirements:

Period ("Phase 1 Period")	Exploration Requirement US$	Aggregate Exploration Requirement US$
On or before November 30, 2018	(incurred) 140,000	140,000
On or before December 31, 2020	(incurred) 360,000	500,000
On or before December 31, 2021	1,500,000	2,000,000
On or before December 31, 2022	2,000,000	4,000,000

Pursuant to the agreement, the Company was required to fund US$140,000 by November 30, 2018 (incurred) and US$360,000 (incurred) by December 31, 2020, totaling US$500,000 ("**Mandatory Phase 1 Expenditures**"), which has been completed. The Company, having completed the Mandatory Phase 1 Expenditures, may terminate the Contribution at any time in its discretion.

Upon completing the Phase 1 earn-in requirement on the Healy Project, the value of the Company's initial contribution shall be deemed to be US$4,000,000 (70% interest) and the value of Newmont's initial contribution shall be deemed to be US$1,715,000 (30% interest). From and after the date on which the Company completes the Phase 1 earn-in requirement on the Healy Project, the Company and Newmont shall fund an adopted program on a pro-rata basis in accordance with their respective participating interests.

Scientific and technical disclosure for the Healy Project is supported by the technical report with an effective date of December 15, 2018, entitled "Technical Report for the Healy Gold Project, Goodpaster Mining District, Alaska" and prepared by Curtis J. Freeman, BA, MS P.Geo, of Avalon Development Corp, qualified persons for the purposes of NI 43-101 (the "**Healy Technical Report**"). The Healy Technical Report was filed on SEDAR on July 30, 2019. It can be accessed at www.sedar.com under the Company's profile.

The Healy Project is located within the Goodpaster Mining District, which is part of the prolific Tintina Gold Province; host of significant deposits such as Donlin Creek, Fort Knox, Pogo, Coffee, Sheelite Dome and Dublin Gulch. The property straddles a regional contact between metamorphic basement rocks and Cretaceous igneous rocks, a recognized regional control for gold mineralisation. The project lies within the major north-east trending structural corridor of the Black Mountain Tectonic Zone. The Black Mountain Tectonic Zone is believed to be similar to other major north-east trending structures such as the Shaw Creek, Mt. Harper, Ketchumstuck and Sixtymile fault systems, all of which are associated with major mineral occurrences. Gold-in-soil geochemical anomalies are coincident with numerous north-east trending structures related to this major structural corridor.

The Healy Project area was first identified and staked by Newmont Corporation in 2012, following a two year regional stream sediment sampling program in eastern Alaska. Follow-up prospecting, mapping and systematic soil sampling defined numerous, kilometer-scale gold, arsenic and antimony in soil anomalies.

In September 2019, Northway Resources completed the first drilling on the property, a ten-hole, reconnaissance-style reverse circulation (RC) drill program at the Bronk target. All ten of the holes encountered gold mineralization at with intercepts including 0.42g/t gold over 49.4 meters. This work led to the discovery of widespread gold mineralization hosted within a 150-200m wide steeply dipping shear zone. The style of mineralization and alteration is consistent with other orogenic gold systems in the Tintina gold belt and represents one of seven compelling target areas that require further exploration. Gold mineralization was found to be associated with disseminated sulphides and quartz veins. Alteration associated with mineralization includes iron carbonate, fuchsite, and sericite. The 2019 drill results at Bronk reinforce Northway’s belief that Healy could host significant gold mineralization

In June 2020, a comprehensive surface exploration program was completed on the Healy Project, including geochemical and geophysical surveys. Field teams collected 1820 infill soil samples covering seven discrete target areas. A ground electromagnetic (VLF) and magnetic survey was completed over the highest priority targets in order to define structures related to gold mineralization. In addition to the ground geophysical surveys, a helicopter magnetic and radiometric survey was flown over the extent of the target areas. A follow-up induced polarization (IP) survey is scheduled to start in September of this year. The results from these surveys will aid in future drill targeting.

Napoleon Project

The Napoleon project is comprised of a contiguous block of 108 unpatented lode claims (6,065 hectares) (the “**Napoleon Project**”) located in Forty Mile Mining District, which is part of the prolific Tintina Gold Province; host of significant deposits such as Donlin Creek, Fort Knox, Pogo, Coffee, Sheelite Dome and Dublin Gulch. It was staked by Northway in 2018 after an analysis of regional geophysical and geochemical data identified the area a being highly prospective for gold mineralisation.

Between 1998 and 1999 soil sampling, prospecting, airborne and ground geophysics, and the excavation of 25 shallow trenches led to the discovery of five target areas: Main Zone, Saddle Zone, Trench 24 area, Twin Peaks and Burnt Ridge. Kennecott drilled 6 diamond drill holes and 10 reverse circulation holes and reported gold intercepts over 1.0 ppm in 8 of the 16 holes, with the best intercepts being 0.61m @ 34.71 g/t Au and 0.61m @ 14.74 g/t Au in the Main Zone, and 1.52m @ 6.56 g/t Au at Burnt Ridge. From 2000 and 2001, the Napoleon Project was explored by Teck Resources. Work during this time included an airborne magnetic and EM survey, soil and rock sampling and 11 diamond drill holes. The best reported diamond drill intercepts were 0.90m @ 20.59 g/t Au at Twin Peaks Zone, and 3.00m @ 8.49 g/t Au at the Saddle Zone. Northway’s 100% owned Napoleon Project represents another exciting opportunity in Alaska; previous drill programs were successful at identifying high-grade gold mineralization associated with quartz veins. Our 2020 surface program at Napoleon should help better define structural controls on mineralization and aid in future drill targeting.

Mineralization at Napoleon is hosted in high-grade quartz veins, related to a regional shear zone which intersects the Jurassic aged Napoleon pluton. Gold mineralization is controlled by east-west and northwest trending shear zones within the Napoleon pluton, commonly kaolinite-quartz-carbonate altered. High-grade gold is associated with quartz-pyrite veins, with K-feldspar-sericite-pyrite altered selvedges.

In 2019, the Company performed data compilation as well as a site visit to the Napoleon Project to inspect historical core and trenches.

In February 2020, the Company acquired a proprietary exploration database from Millrock Exploration Corp. and its affiliate (collectively “**Millrock**”) relating to the Napoleon Project. The database consists of significant geologic and geochemical data that will allow the Company to reduce the time and costs of generating drill targets on the property. As consideration, the Company granted to Millrock a 0.5% net smelter returns royalty on the Napoleon Project and areas of interest, one-half of which may be acquired by the Company, at any time, for a onetime payment of US$500,000 and is required to make annual advance royalty payments of US$1,000.

In July 2020, the Company acquired a proprietary exploration database from a vendor relating to the Napoleon Project. As consideration, the Company granted to the vendor a 1.0% net smelter returns royalty on the Napoleon Project and areas of interest, one-half of which may be acquired by the Company, at any time, for a onetime payment of US$1,000,000.

In July 2020, a comprehensive surface exploration program was completed on the Napoleon property, including geochemical and geophysical surveys. A ground electromagnetic (VLF) and magnetic survey was completed over areas of historical drilling to delineate prospective structural features related to gold mineralization. In addition, field teams collected 550 infill soil samples over select target areas to refine gold in soil anomalies. The results from these surveys will aid in future drill targeting.

Exploration and Evaluation Properties

For the three months ended June 30, 2020, the Company incurred exploration and evaluation expenditures of $54,410 as compared to $13,497 in the comparative period of 2019 as follows:

For the three months ended June 30, 2020	**Healy**	**Napoleon**	**Total**
	$	**$**	**$**
Exploration expenditures:			
Accommodation and related	1,081	-	1,081
Analytical	803	-	803
Claim maintenance fees	172	-	172
Drilling	2,197	-	2,197
Geophysics	49,800	-	49,800
Supplies and fuel	357	-	357
Total	**54,410**	**-**	**54,410**

For the three months ended June 30, 2019	**Healy**	**Napoleon**	**Total**
	$	**$**	**$**
Exploration expenditures:			
Accommodation and related	7,387	750	8,137
Consulting	4,610	750	5,360
Total	**11,997**	**1,500**	**13,497**

The total cumulative acquisition and deferred exploration costs of the Company to June 30, 2020 are summarized as follows:

	Healy	Napoleon	Total
	$	$	$
Balance, March 31, 2019	**288,955**	**41,085**	**330,040**
Property acquisition and staking costs	7,707	-	7,707
Exploration expenditures:			
Accommodation and related	38,730	735	39,465
Analytical	49,891	1,345	51,236
Claim maintenance fees	86,525	9,976	96,501
Consulting	106,514	8,065	114,579
Drilling	236,666	-	236,666
Geophysics	10,495	-	10,495
Helicopter	156,327	-	156,327
Legal and permitting	4,366	-	4,366
Travel and related	21,477	-	21,477
Balance, March 31, 2020	**1,007,653**	**61,206**	**1,068,859**
Accommodation and related	1,081	-	1,081
Analytical	803	-	803
Claim maintenance fees	172	-	172
Drilling	2,197	-	2,197
Geophysics	49,800	-	49,800
Supplies and fuel	357	-	357
Balance, June 30, 2020	**1,062,063**	**61,206**	**1,123,269**

Corporate Activities

In July 2020, the Company entered into a non-binding letter of intent with Kenorland Minerals Ltd. ("**Kenorland**"), whereby the Company will acquire all of the issued and outstanding securities of Kenorland by way of share exchange. Kenorland is a private exploration company incorporated under the laws of the Province of British Columbia and is based in Vancouver, British Columbia, Canada. Kenorland's business model is mining project generation focused on early to advanced stage exploration assets.

Upon successful completion of the proposed acquisition of the securities of Kenorland (the **"Transaction"**), it is anticipated that the Company will be listed as a Tier 2 Mining issuer on the TSX-V and will carry on the combined business of Northway and Kenorland. The Transaction constitutes a 'reverse takeover' of the Company pursuant to Policy 5.2 of the TSX-V.

The transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement with respect to the transaction on or before August 31, 2020, the completion of satisfactory due diligence, the completion of a concurrent private placement of $10 million, the completion of the share consolidation of Northway on a 10 old for one new basis (the "**Consolidation**"), and the approval of the TSX-V and other applicable regulatory authorities.

Pursuant to the Transaction, the Company will issue common shares ("**NTW Shares**") to the holders of common shares in the capital of Kenorland ("**Kenorland Shares**") on the basis of approximately two post-Consolidation NTW Shares for each Kenorland Share. It is anticipated that approximately 30.05 million NTW Shares will be issued pursuant to the Transaction based on the current capital structure of Kenorland.

As Kenorland is the holder of 6,000,000 common shares of the Company, representing 14.50% of the current issued and outstanding shares, the Transaction constitutes a 'related party transaction' as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). As a result, the completion of the Transaction will be subject to majority of the minority shareholder approval requirements of MI 61-101.

The Company has appointed a special committee comprised of three independent directors to review and approve the Transaction.

Refer to the July 29, 2020 news release for more details of the Transaction.

SELECTED QUARTERLY INFORMATION

All financial information in this MD&A has been prepared in accordance with IFRS.

The following financial data is derived from the Financial Statements:

	For the three months ended June 30,	
	2020	**2019**
	$	**$**
Expenses	(105,049)	(40,072)
Loss and comprehensive loss	(104,776)	(40,072)
Basic and diluted loss per common share	(0.00)	(0.00)

	As at June 30,	
	2020 $	**2019 $**
Working capital	1,266,882	191,306
Exploration and evaluation assets	1,123,269	343,537
Total assets	2,502,510	625,196
Total liabilities	112,359	90,353

The Company's mineral projects are in the exploration stage and, to date, the Company has not generated any revenues other than interest income.

Operations

As an exploration company, the Company has yet to generate any revenue from its planned operations and has, to date, incurred net losses from operating and administrative expenses.

The Company's operating and administrative expenses for the three months ended June 30, 2020 totalled $105,049 (June 30, 2019 - $40,072).

The table below details the changes in major expenditures for the three months ended June 30, 2020 as compared to the corresponding period ended June 30, 2019:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Management fees	Increase of $17,667	Increased due to new management fees to the CEO, CFO and VP Exploration in the current period.
Professional fees	Decrease of $7,304	Decreased due to less corporate activities in the current period.
Share-based compensation	Increase of $13,481	Increased due to stock options granted in August 2019 while no share-based compensation in the comparative period.

As at June 30, 2020, the Company had not yet achieved profitable operations and has accumulated losses of $688,409 (March 31, 2020 - $583,633) since inception. These losses resulted in a net loss per share (basic and diluted) for the three months ended June 30, 2020 of $0.00 (June 30, 2019 - $0.00).

Summary of Quarterly Results

The following provides selected quarterly information for the Company's eight most recently completed quarters.

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	$	$	$	$
Total assets	2,502,510	2,557,732	2,600,237	3,259,143
Total liabilities	112,359	76,286	9,393	612,239
Working capital (deficiency)	1,266,882	1,412,587	1,509,981	1,629,797
Loss and comprehensive loss	(104,776)	(111,660)	(90,238)	(127,312)
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)

	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
	$	$	$	$
Total assets	625,196	663,081	288,453	154,076
Total liabilities	90,353	88,165	286,825	325
Working capital (deficiency)	191,306	244,876	(278,230)	59,426
Loss and comprehensive loss	(40,072)	(26,712)	(2,123)	(196,250)
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.06)

Variances quarter over quarter can be explained as follows:

In the quarters ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and September 30, 2018, the Company recorded share-based compensation of $13,481, $22,857, $34,178, $51,693, and $196,000, respectively, contributing to significantly higher losses in these quarters compared to quarters in which no share-based compensation were recorded.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are as follows:

	June 30, 2020	March 31, 2020
	$	$
Cash	1,329,902	1,449,124
Receivables	2,747	25,176
Prepaid expenses	46,592	14,573
Total current assets	1,379,241	1,488,873
Accounts payables and accrued liabilities	112,359	76,286
Working capital	1,266,882	1,412,587

As at June 30, 2020, the Company had working capital of $1,266,587 (March 31, 2020 - $1,412,587). During the year ended March 31, 2020, the Company completed the IPO and a private placement consisting of 25,386,000 common shares at a price of $0.10 per share for gross proceeds of $2,538,600.

RISKS AND UNCERTAINTIES

The business and operations of Northway are subject to numerous risks, many of which are beyond Northway's control. Northway considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which Northway is currently unaware or which it considers to be material in relation to Northway's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of Northway's securities could decline and investors may lose all or part of their investment.

(a) Northway has only recently completed its IPO. As such, it is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel and lack of revenues.

(b) Northway has limited financial resources and no operating revenues. To earn and/or maintain its interest in the Healy Project and Napoleon Project, the Company has contractually agreed or is required to make certain payments and expenditures for and on such properties. Northway's ability to continue as a going concern is dependent upon, among other things, Northway establishing commercial quantities of mineral reserves on its properties and obtaining the necessary financing and permits to develop and profitably produce such minerals or, alternatively, disposing of its interests on a profitable basis, none of which is assured.

(c) The Company is in the exploration stage and is currently seeking additional capital to develop its exploration properties. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

(d) The exploration for, and development of, mineral deposits involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

(e) All of the properties in which the Company has an interest are without any mineral reserves. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

(f) The Company’s operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

(g) All phases of the Company’s operations with respect to the Healy Project and the Napoleon Project will be subject to environmental regulation in the United States. Changes in environmental regulation, if any, may adversely impact the Company’s operations and future potential profitability. In addition, environmental hazards may exist on the Healy Project and the Napoleon Project which are currently unknown. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the properties, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company’s operations and future potential profitability.

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

The Company may be subject to reclamation requirements designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance land forms and vegetation. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on the Company’s financial resources.

(h) The mining industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. It is also highly competitive in all its phases and Northway will be competing with other mining companies, many with greater financial, technical and human resources, in the search for, and the acquisition of, mineral resource properties and in the marketing of minerals.

(i) Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including resources companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest

(j) Northway has not declared or paid any dividends on its common shares and does not expect to do so in the foreseeable future. Future earnings, if any, will likely be retained to finance growth. Any return on investment in Northway's shares will come from the appreciation, if any, in the value thereof. The payment of any future dividends will depend upon the Company's earnings, if any, its then-existing financial requirements and other factors, and will be at the discretion of the Company's Board.

(k) Northway faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the coronavirus or other epidemics. In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, including Canada and the United States., and infections have been reported globally. The extent to which the coronavirus impacts our business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of the coronavirus globally could materially and adversely impact our business including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond our control, which may have a material and adverse effect on the its business, financial condition and results of operations. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and our future prospects.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive.

RELATED PARTY TRANSACTIONS AND BALANCES

During the three months ended June 30, 2020, the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

- Incurred management fees of $12,500 (June 30, 2019 - $8,333) to Zachary Flood, the President, CEO and director of the Company.

- Incurred rent of $3,900 (June 30, 2019 - $nil) to Kenorland, a company related by a common officer and director. As at June 30, 2020, $nil (March 31, 2020 - $1,365) was included in prepaid expenses in relation to rent.

- Incurred management fees of $3,000 (June 30, 2019 - $2,000) to a company controlled by Enoch Kong, the CFO and Corporate Secretary of the Company.

- Incurred management fees of $12,500 (June 30, 2019 - $nil) to Thomas Hawkins, the VP Exploration of the Company.

- Incurred professional fees of $nil (June 30, 2019 - $262) to a company controlled by Jay Sujir, a director of the Company.

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

	For the three months ended June 30,	
	2020	**2019**
	$	**$**
Management fees	28,000	10,333
Professional fees	-	262
Share-based compensation	11,169	-
	39,169	**10,595**

OFF- BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

CHANGES IN ACCOUNTING POLICIES

There were no changes to the Company's accounting policies during the three months ended June 30, 2020, except for the following:

Government Assistance
The Company received certain government assistance in the form of forgivable loans from the Canadian government in connection with the COVID-19 pandemic. When there is reasonable assurance that the amounts will be forgiven, the Company reduces the loan and credits the forgiven amounts to the related expenses. The Company includes government assistance that has not been forgiven or is repayable in accounts payable and accrued liabilities.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from management's best estimates as additional information becomes available.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, and accounts payable and accrued liabilities, approximate their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, market, currency, and commodity price risk.

a) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing at major Canadian financial institutions. The Company has minimal credit risk.

b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at June 30, 2020, the Company has sufficient cash to settle its current liabilities. The Company will require additional funding to meet its long-term exploration obligations.

c) Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

d) Currency risk
The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates of the Canadian and US dollars. As at June 30, 2020, the Company had a net asset of approximately US$503,000. A 10% fluctuation in the exchange rate of the United States dollar against the Canadian dollar would affect the Company's cash and account payable by approximately $50,300.

e) Commodity price risk
The ability of the Company to raise funds to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of gold and other precious metals. The Company monitors gold and precious metals prices to determine the appropriate course of action to be taken.

INTERNAL CONTROL OVER FINANCIAL REPORTING PROCEDURES

As a venture issuer, the Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that the Financial Statements and this MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and that the financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these filings. The certifying officers are also responsible for ensuring processes are in place to provide them with sufficient knowledge to support such representations.

However, in contrast to non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Company's certifying officers are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. Accordingly, investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of these annual filings as well as interim filings and other reports provided by the Company under securities legislation.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES, STOCK OPTIONS, AND WARRANTS

The following table summarizes the outstanding common shares, stock options, and warrants of the Company:

	As at June 30, 2020	Date of this MD&A
Common shares	41,386,000	41,386,000
Stock options	1,750,000	1,750,000
Warrants	13,756,020	13,756,020

Details of the outstanding stock options:

Number of options outstanding	Number of options exercisable	Exercise price $	Expiry date
1,750,000	1,312,500	0.10	August 22, 2024

Details of the outstanding warrants:

Number of warrants	Exercise price $	Expiry date
1,294,020	0.10	August 22, 2021
462,000	0.10	August 28, 2021
3,000,000	0.10	September 15, 2023
2,000,000	0.10	January 25, 2024
7,000,000	0.10	March 19, 2024
13,756,020		

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- the Financial Statements; and
- the Company's audited consolidated financial statements for the year ended March 31, 2020.

This MD&A has been approved by the Board on August 28, 2020.