# Management's Discussion and Analysis
# Year Ended December 31, 2017

(Expressed in thousands of United States dollars, except per share amounts and where otherwise noted)

March 16, 2018

*This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017 and related notes thereto which have been prepared under the continuity of interest basis of accounting, as described in the section below, and with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including IAS 34, Interim Financial Reporting and IFRS 1, First-time Adoption of International Financial Reporting Standards. References to "Mason" and the "Company" are to Mason Resources Corp. and/or one or more of its wholly-owned subsidiaries. Further information on the Company (including the Company's most recently filed Annual Information Form ("AIF")) is available on SEDAR at www.sedar.com. Information is also available on the Company's website at www.MasonResources.com. Information on risks associated with investing in the Company's securities is contained in this MD&A and in the Company's most recently filed AIF. Technical and scientific information under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") concerning the Company's material property, including information about mineral resources, is contained in the Company's most recently filed AIF and in its technical report titled "2017 Updated Preliminary Economic Assessment on the Ann Mason Project, Nevada, U.S.A." with an effective date of March 3, 2017, prepared by AGP Mining Consultants Inc. and Amec Foster Wheeler Americas Limited.*

## 2017 HIGHLIGHTS

- On May 9, 2017, Mason and Entrée Resources Ltd. (formerly Entrée Gold Inc. – "Entrée") completed a strategic reorganization of Entrée's business through a plan of arrangement (the "Arrangement"). Pursuant to the Arrangement, Entrée transferred to Mason all of the issued and outstanding shares of Entrée's wholly owned British Columbia subsidiary Entrée U.S. Holdings Inc. (now Mason U.S. Holdings Inc.), which indirectly owns the Ann Mason copper-molybdenum project in Nevada and the Lordsburg copper-gold property in New Mexico, and $8.84 million in cash.
- As part of the Arrangement, each existing share of Entrée was exchanged for 0.45 of a Mason common share and one "new" common share of Entrée. Optionholders and warrantholders of Entrée received replacement options and warrants of Entrée and options and warrants of Mason which are proportionate to, and reflective of the terms of, their existing options and warrants of Entrée.
- On May 9, 2017, the Company entered into an Administrative Services Agreement with Entrée, pursuant to which Entrée provides office space, furnishings and equipment, communications facilities and personnel necessary for Mason to fulfill its basic day-to-day head office and executive responsibilities on a pro-rata cost-recovery basis.
- On May 12, 2017, the Company's common shares commenced trading on the Toronto Stock Exchange ("TSX") under the symbol "MNR".
- On July 19, 2017, the Company adopted a Shareholder Rights Plan (the "Rights Plan") to ensure, to the extent possible, that all shareholders of the Company are treated fairly and equally in connection with any take-over bid or other acquisition of control of the Company. The Rights Plan was not adopted in response to any specific take-over bid or other proposal to acquire control of Mason and Mason was not aware of any such pending or contemplated proposals.
- During the third quarter of 2017, the Company welcomed two new significant shareholders in Mason replacing disinterested shareholders following the spinout of Mason from Entrée:
  - On August 4, 2017, Mantos Copper (Bermuda) Limited ("Mantos") purchased an aggregate of 13,664,757 common shares of Mason at a price of C$0.20 per share for an aggregate purchase price of C$2,732,952 from Rio Tinto International Holdings Limited and Turquoise Hill Resources Ltd., which represents approximately 17.5% of the outstanding common shares of Mason.

  - In August 2017, Hudbay Minerals Inc. ("Hudbay") purchased an aggregate of 10,854,170 common shares of Mason including 10,755,170 common shares on August 24, 2017 from Sandstorm Gold Ltd. ("Sandstorm"). The shares were purchased from Sandstorm at a price of C$0.26 per share for an aggregate purchase price of C$2,796,344. This represents approximately 13.9% of the outstanding common shares of Mason.

- Effective November 9, 2017, the Company's common shares commenced trading on the OTCQB Venture Market in the United States under the symbol "MSSNF".
- Following the acquisition of shares by Mantos and Hudbay, the Board of Directors of the Company (the "Board") determined to allow the Rights Plan to expire, in accordance with its terms, on January 19, 2018.
- The 2017 full year net loss was $2.2 million, which included net income of $0.2 million in Q4 2017 as a result of a deferred income tax recovery adjustment of $0.7 million. The Company's cash balance at December 31, 2017 was $7.5 million with no debt.

**Ann Mason Project**

- On May 10, 2017, Mason filed its NI 43-101 technical report titled "2017 Updated Preliminary Economic Assessment on the Ann Mason Project, Nevada, U.S.A." (the "2017 PEA") for its flagship Ann Mason Project in Nevada on SEDAR at www.sedar.com. The 2017 PEA indicates the Ann Mason Project has positive project economics and has the potential to be a large, long life copper-molybdenum mining operation.

# OVERVIEW OF BUSINESS

Mason is a Canadian resource company engaged in the exploration and development of mineral resource properties in the United States. The Company's principal asset is the Ann Mason Project, which is an advanced, large-scale, PEA-stage copper-molybdenum project located in the prolific Yerington mining district in Nevada, U.S.A.

The Ann Mason Project is believed to be the 4th largest undeveloped copper porphyry resource in Canada/U.S.A and remains open in several directions.

On May 9, 2017, Mason and Entrée completed a strategic reorganization of Entrée's business through a plan of arrangement under Section 288 of the Business Corporations Act (*British Columbia*) (the "BCBCA"). The Company's financial results have been prepared on a continuity of interest basis of accounting following the completion of the strategic reorganization, which requires that prior to the May 9, 2017 effective date thereof, the assets, liabilities, results of operations and cash flows of the Company be on a 'carve-out' basis from the consolidated financial statements and accounting records of Entrée.

The Company's corporate headquarters are located in Vancouver, British Columbia, Canada. Field operations are conducted out of a local office in the United States. Mason is led by a seasoned team of mining, corporate finance and corporate governance professionals, who have the experience to advance the Company's projects and generate value for Mason's shareholders.

# OUTLOOK AND STRATEGY

**Corporate**

The Company's corporate focus going forward will be to maximize market value through assessing and executing on options to move Ann Mason forward, possibly including introducing one or more strategic partners. In addition, Mason is undertaking a process to prioritize and progress other growth strategies involving its Lordsburg property and additional new exploration acquisitions. Fiscal responsibility and only spending the Company's cash reserves on value adding activities remains a high priority.

The Company expects to spend between $1.2 million and $1.4 million for the 2018 year which includes $0.4 million for corporate costs, investor relations, and compliance and the balance related to the Ann Mason Project and Lordsburg Property.

**Ann Mason Project**

The Company is currently evaluating options for its Ann Mason Project which may include optimizing certain aspects of the 2017 PEA, commencing a Pre-Feasibility study and testing high priority exploration targets with potential to provide early production options.

The Company is targeting expenditures of between $0.7 million and $0.9 million for the 2018 year, including claim fees and payments, site maintenance and local administration costs.

**Lordsburg Property**

The Company is managing the costs associated with the Lordsburg property while management evaluates the best path forward to add value to the project. Expenditures for 2017 were mainly for claim fees and local administration costs. The Company expects to spend approximately $0.1 million for the 2018 year.

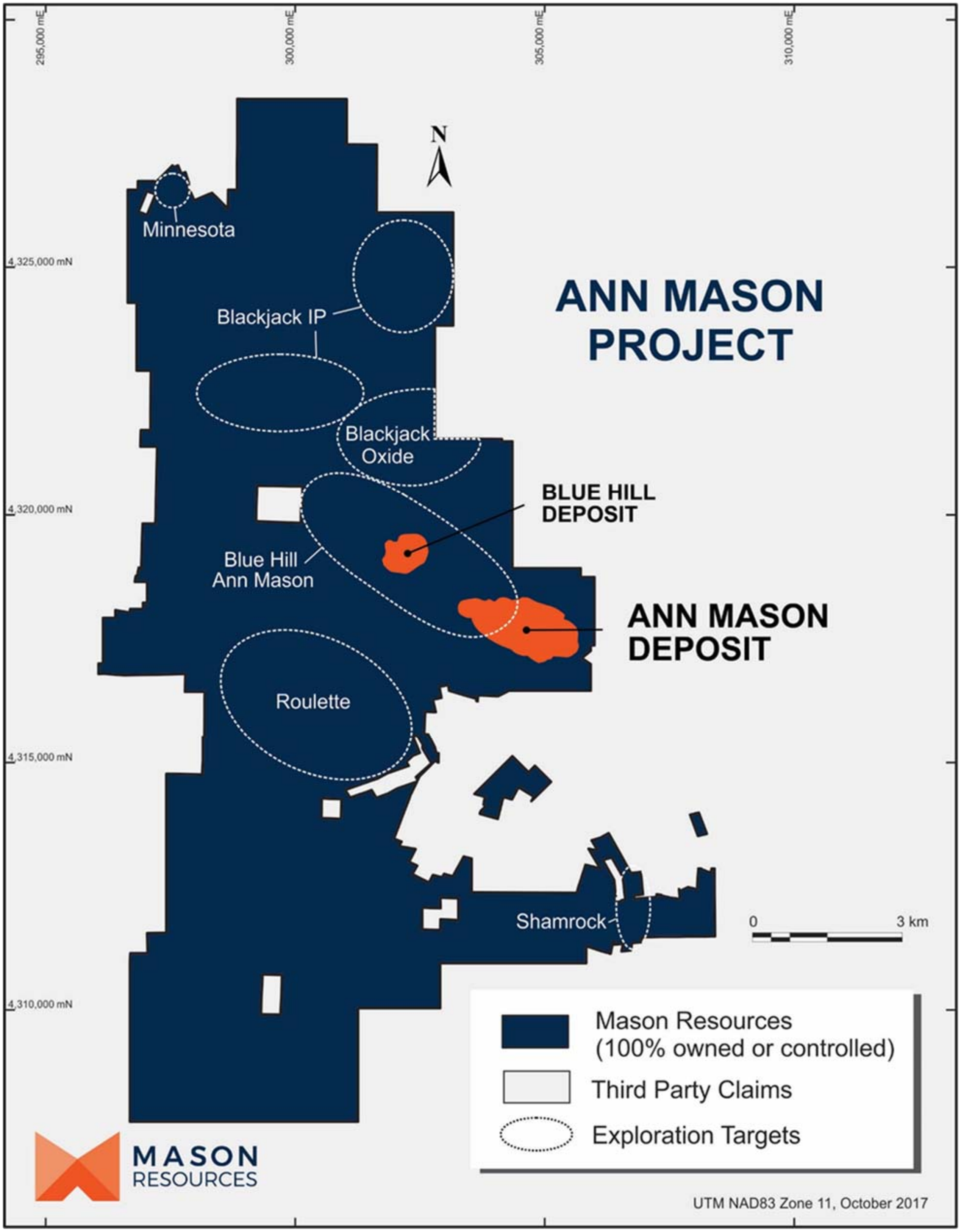
# ANN MASON PROJECT – NEVADA, U.S.A.

**Summary**

The Ann Mason Project is an advanced copper-molybdenum project located in west-central Nevada approximately 75 kilometres southeast of Reno and 7 kilometres west of the town of Yerington. The project is easily accessible from Reno by highway and it is a 20-minute drive from Yerington. The nearest access to the rail network is located 17 kilometres north of Yerington.

The Ann Mason Project hosts two known copper-molybdenum porphyry deposits: Ann Mason and Blue Hill. Ann Mason is one of the largest undeveloped porphyry copper resources in Canada and the U.S.A. Blue Hill is predominantly an oxide copper deposit. Several other under-explored copper oxide and sulphide targets are located throughout the project area, including the area to the northwest of Ann Mason and the northwest of Blue Hill, Blackjack IP, Blackjack Oxide, Roulette, Minnesota and Shamrock.

The project area is defined by the mineral rights to 1,658 unpatented lode claims on public land administered by the Bureau of Land Management, and title to 33 patented lode claims. The project covers approximately 12,735 hectares (31,468 acres). A portion of the unpatented claims peripheral to the Ann Mason and Blue Hill deposits are under: (1) a lease with option to purchase agreement (226 claims); and (2) an option agreement with EMX Royalty Corporation (formerly Eurasian Minerals Inc.) (216 claims; Mason earning 80%). Seventeen of the patented lode claims peripheral to the Ann Mason and Blue Hill deposits are subject to a 2% net smelter returns ("NSR") royalty granted to a third party. In addition, 235 of the unpatented lode claims, including the claims covering the Ann Mason and Blue Hill deposits, are subject to a 0.4% NSR royalty held by Sandstorm. The Company also has an option to purchase 21 unpatented placer claims within the project boundaries. The illustration below depicts the Ann Mason Project.




On May 10, 2017 the Company filed the 2017 PEA, a copy of which is available on SEDAR at www.sedar.com. Key details from the 2017 PEA can be summarized as follows:

- Mine: Open pit, truck and shovel.

- Mill: Conventional sulphide flotation, with a mill throughput of 120,000 tonnes per day.
- Base Case* pre-tax net present value ("NPV") (7.5% discount rate) of $1,158 million, internal rate of return ("IRR") of 15.8%.
- Base Case* post-tax NPV (7.5% discount rate) of $770 million, IRR of 13.7%.
- Development capital costs of approximately $1.35 billion, including $103 million contingency.
- Pre-production development of three years.
- Mine production for 21 years, followed by four years of reclamation (Life of Mine or "LOM").
- Potential for another 15+ years of mine life.
- Average LOM cash costs (net of by-product sales) pre-tax of $1.49/lb copper (see Non-IFRS Performance Measurement below).
- Average LOM all-in sustaining costs ("AISC") (net of by-product sales) pre-tax of $1.57/lb copper (see Non-IFRS Performance Measurement below).
- Net average pre-tax undiscounted cash flow over Years 1 to 21 of approximately $298 million per year (and post-tax of $238 million per year).
- LOM payable production of approximately:
    - 5.1 billion pounds of copper,
    - 46 million pounds of molybdenum,
    - 0.4 million ounces of gold, and
    - 8.8 million ounces of silver.
- Average annual payable production of approximately:
    - 241 million pounds of copper,
    - 2.2 million pounds of molybdenum,
    - 20,000 ounces of gold, and
    - 421,000 ounces of silver.
- Strip ratio of approximately 2.01:1 waste to mineralized material (including pre-strip).
- LOM average copper recovery of 92%.
- Clean copper concentrate grading 30% (LOM average).

*Base Case uses $3.00/lb copper, $11/lb molybdenum, $1,200/oz gold, $20/oz silver.

The 2017 PEA is preliminary in nature and 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 2017 PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Approximately 95% of the mineralization constrained within the ultimate PEA pit ("Phase 5") is classified as either Measured or Indicated resources with the remaining 5% classified as Inferred resources, limiting the amount of "in-pit" drilling required to take the deposit to a Pre-Feasibility level. The 2017 PEA also includes results of a detailed metallurgical program, completed by SGS in 2016, designed to better characterize the metallurgical processes and recoveries in the 2017 PEA and to support a future Pre-Feasibility study.

The Ann Mason mineral resource estimate used in the 2017 PEA was prepared by Amec Foster Wheeler Americas Limited, out of their Vancouver office and is based on all scientific and technical information as of March 3, 2017 and therefore has an effective date of March 3, 2017. The mineral resource model and the mineral resource estimate have not changed since September 9, 2015, the effective date of the previous mineral resource estimate. There has been no additional drilling or other scientific or technical information collected since September 9, 2015 to present. The assumptions used in 2015 to assess reasonable prospects of eventual economic extraction including metal prices, mining, processing and G&A cost, metallurgical recoveries and pit slopes remain the same and are still considered reasonable.

The mineral resource estimate for Ann Mason is provided in the Table below.

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

**Mineral Resource Statement for the Ann Mason Deposit based on a 0.20% Copper Cut-off**

| Classification | Tonnage (Mt) | Grade | | | | Contained Metal | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Cu (%) | Mo (%) | Au (g/t) | Ag (g/t) | Cu (Mlb) | Mo (Mlb) | Au (Moz) | Ag (Moz) |
| Measured | 412 | 0.33 | 0.006 | 0.03 | 0.64 | 3,037.6 | 58.1 | 0.37 | 8.46 |
| Indicated | 988 | 0.31 | 0.006 | 0.03 | 0.66 | 6,853.3 | 128.5 | 0.97 | 21.00 |
| Measured and Indicated | 1,400 | 0.32 | 0.006 | 0.03 | 0.65 | 9,890.9 | 186.6 | 1.33 | 29.46 |
| Inferred | 623 | 0.29 | 0.007 | 0.03 | 0.66 | 3,987.2 | 96.2 | 0.58 | 13.16 |

**Notes:**
1. Effective date March 3, 2017, Peter Oshust, P.Geo.
2. Mineral resources are reported within a constraining pit shell developed using Whittle™ software. Assumptions include metal prices of $3.74/lb for copper, $13.23/lb for molybdenum, $1,495/oz for gold, and $23.58/oz for silver, process recoveries of 92% for copper, 50% for molybdenum, 50% for gold, and 55% for silver, mining cost of $1.09/t + $0.02/bench below 1605 metres, $5.82/t for processing, and $0.30/t for G&A.
3. Assumptions include 100% mining recovery.
4. An external dilution factor was not considered during this mineral resource estimation.
5. Internal dilution within a 20 metre x 20 metre x 15 metre selective mining unit (“SMU”) was considered.
6. The 0.4% NSR royalty held by Sandstorm was not considered during the preparation of the constraining pit.
7. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

A first mineral resource estimate for the Blue Hill deposit was completed in October 2012. The resource estimate was prepared as a first step in determining if Blue Hill could serve to generate early cash flow for the Ann Mason Project, should the Ann Mason deposit advance to production. The near surface oxide and mixed mineralization at Blue Hill is acid-soluble and amenable to low-cost heap leach and solvent extraction/electrowinning (“SX/EW”) processing. Column leach tests completed by Metcon Research in 2012 show an average copper recovery of about 85% for both the oxide and mixed mineralized domains, with indicated cumulative copper extractions averaging 70% after 15 days of leach cycle.

The Blue Hill mineral resource estimate remains the same as the estimate published in the first PEA (2012). Mineral resources at Blue Hill were estimated under the supervision of Pierre Desautels, P.Geo. of AGP Mining Consultants Inc. The Blue Hill mineral resource estimate is based on all scientific and technical information as of March 3, 2017 and therefore has an effective date of March 3, 2017. The mineral resource model and the mineral resource estimate have not changed since July 31, 2012, the effective date of the previous mineral resource estimate. The assumptions used in 2012 to assess reasonable prospects of eventual economic extraction including metal prices, mining, processing and G&A cost, metallurgical recoveries and pit slopes remain the same and are still considered reasonable.

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

The following table summarizes the Blue Hill mineral resources:

**Summary of Blue Hill Pit-Constrained Inferred Mineral Resource (Effective March 3, 2017)**

| Zone | Base Case Cut-off (Cu %) | Tonnes (Million) | Cu (%) | Cu (Million lb) | Mo (%) | Au (g/t) | Ag (g/t) |
|---|---|---|---|---|---|---|---|
| Oxide | 0.10 | 47.44 | 0.17 | 179.37 | --- | --- | --- |
| Mixed | 0.10 | 24.69 | 0.18 | 98.12 | --- | --- | --- |
| **Oxide/Mixed Sub-total** | **0.10** | **72.13** | **0.17** | **277.49** | **---** | **---** | **---** |
| Sulphide | 0.15 | 49.86 | 0.23 | 253.46 | 0.005 | 0.01 | 0.3 |

**Notes:**
1. Mineral resources are classified in accordance with the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves.
2. Mineral resources do not include external dilution, nor was the tabulation of contained metal adjusted to reflect metallurgical recoveries.
3. Tonnages are rounded to the nearest 10,000 tonnes, and grades are rounded to two decimal places.
4. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade, and contained metal content.
5. Material quantities and grades are expressed in metric units, and contained metal in imperial units.

For additional information regarding the assumptions, qualifications and procedures associated with the scientific and technical information regarding the Ann Mason Project, reference should be made to the 2017 PEA, a copy of which is available on SEDAR at www.sedar.com.

### 2017 Review

A program of geological mapping and sampling has been on-going on the Ann Mason Project to identify potential new targets of near-surface, oxide or sulphide copper mineralization west of the Ann Mason deposit and northwest of the Blue Hill deposit and over the Shamrock target. Several zones of interest have been identified through detailed mapping and XRF analysis of copper mineralization in conjunction with results of historical or previously completed exploration programs. Work remains ongoing to define targets which could be further evaluated by future drilling programs.

For the three months ended December 31, 2017, Ann Mason Project expenses were $0.1 million compared to $0.1 million for the same period of 2016. The 2017 full year expense was $0.7 million. Expenses consisted mainly of employee salaries, option payments, corporate services and site maintenance costs. The prior year’s costs were higher due to termination and restructuring costs in 2016.

## LORDSBURG PROPERTY – NEW MEXICO, USA

### Summary

The Lordsburg property is located in southwest New Mexico approximately 370 kilometres southwest of Albuquerque. The Lordsburg claims cover 2,013 hectares (4,974 acres) adjacent to the historic Lordsburg copper-gold-silver district. Mason has a 100% interest in the property.

Previous drilling during 2008 and 2009 at Lordsburg was successful in discovering a new porphyry copper-gold occurrence in an area previously known only for vein-style gold mineralization. A zone of surface porphyry-style alteration and anomalous copper geochemistry exceeds 1.2 kilometres in length and 600 metres in width. Within this zone, limited wide-spaced diamond drilling has confirmed sub-surface copper-gold mineralization over a 600 metre by 600 metre area, which remains open in several directions. Twelve core holes totaling about 6,100 metres were drilled, including EG-L-09-012 which returned a near-surface intersection of 0.25% copper and 0.15 grams per tonne (“g/t”) gold over 94 metres, including 60 metres of 0.31% copper and 0.21 g/t gold.

Mineralization appears best developed in the contact areas between a feldspar porphyry stock and volcanic rocks. Potassic alteration and sulphide-quartz veining are associated with the strongest areas of mineralization.

Future drilling will be directed towards expanding the existing drill-defined copper and gold zone.

The Lordsburg property is subject to a 2% NSR royalty.

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

**2017 Review**

The Company's did not complete any new programs during the 2017 year on this property. Management continues to evaluate future plans for this property which may include the introduction of an exploration partner. Expenditures related to this property were minimal in 2017 and related to option payments and other holding costs.

## SUMMARY OF CONSOLIDATED FINANCIAL OPERATING RESULTS

As noted above, the consolidated financial operating results have been prepared on a continuity of interest basis of accounting following the Arrangement, which requires that prior to the May 9, 2017 effective date thereof, the assets, liabilities, results of operations and cash flows of the Company be on a 'carve-out' basis from the consolidated financial statements and accounting records of Entrée.

During the year ended December 31, 2017, total comprehensive income was $1.6 million compared to a loss of $1.1 million and a loss of $12.5 million for the comparative periods of 2016 and 2015, respectively.

**Operating Results**

| | Three months ended December 31 | | | Years ended December 31 | | |
|---|---|---|---|---|---|---|
| | **2017** | **2016** | **2015** | **2017** | **2016** | **2015** |
| Expenses | | | | | | |
| Exploration | **$ 227** | $ 442 | $ 381 | **$ 754** | $ 1,366 | $ 3,502 |
| General and administrative | **285** | 320 | 954 | **1,535** | 1,046 | 2,666 |
| Share-based compensation | **5** | 215 | 108 | **196** | 242 | 114 |
| Depreciation | **2** | 3 | 5 | **11** | 15 | 22 |
| Operating loss | **519** | 980 | 1,448 | **2,496** | 2,669 | 6,304 |
| Foreign exchange loss (gain) | **5** | 502 | (1,042) | **467** | 262 | (1,184) |
| Interest, net | **(23)** | - | - | **(58)** | (2) | - |
| Loss before income taxes | **$ 501** | $ 1,482 | $ 406 | **$ 2,905** | $ 2,929 | $ 5,120 |
| Income tax expense (recovery) | **(739)** | (553) | 177 | **(739)** | (553) | 177 |
| Net (income) loss | **(238)** | 929 | 583 | **2,166** | 2,376 | 5,297 |
| Other comprehensive income | | | | | | |
| Foreign currency translation | **40** | 243 | 1,244 | **(3,806)** | (1,261) | 7,219 |
| Total comprehensive (income) loss | **$ (198)** | $ 1,172 | $ 1,827 | **$ (1,640)** | $ 1,115 | $ 12,516 |
| Net income (loss) per common share | | | | | | |
| Basic and fully diluted | **$ 0.00** | $ (0.01) | $ (0.01) | **$ (0.03)** | $ (0.03) | $ (0.07) |
| Total assets | **$ 49,491** | $ 39,230 | $ 38,392 | **$ 49,491** | $ 39,230 | $ 38,392 |
| Total non-current liabilities | **$ 2,276** | $ 3,015 | $ 3,567 | **$ 2,276** | $ 3,015 | $ 3,567 |

Amounts presented in the table prior to the completion of the Arrangement on May 9, 2017 were carved out from figures previously reported by Entrée in accordance with the continuity of interest basis of accounting (see Plan of Arrangement and Continuity of Interest section below).

Exploration expenses for Q4 2017 and for the year ended 2017 included costs of $0.2 million and $0.7 million, respectively, relating to the Ann Mason Project. Compared to the comparative 2016 and 2015 periods, the annual expenses were 45% and 78% lower, respectively, due to the moderation of exploration programs relating to the Ann Mason Project since 2015. Exploration expenses relating to the Lordsburg property during these periods were minimal.

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

General and administrative costs in 2017 include expense estimates for the first 5 months of the year based on the continuity of interest basis of accounting. Actual costs since the May 2017 Arrangement were $1.0 million, which included amounts charged through the Administration Services Agreement from Entrée of $0.2 million for restructuring and $0.6 million for administrative and executive services. Actual costs for Q4 2017 were $0.3 million of which $0.2 million was related to administrative and executive services through the Administration Services Agreement (see Other Disclosures – Related Party Transactions below). In the comparative 2016 and 2015 years, the Company had begun reducing corporate personnel and overhead costs in 2015 which resulted in lower general and administrative costs in 2016.

Income taxes in 2017, 2016 and 2015 were related to deferred income tax adjustments, primarily due to changes in the foreign exchange rate year on year and the Company's accounting policy related to functional currency.

On May 1, 2017, the Company received $8.75 million from Entrée as a capital contribution in connection with the Arrangement.

**Quarterly Financial Data – 2 year historic trend**

| | **Q4 17** | Q3 17 | Q2 17 | Q1 17 | Q4 16 | Q3 16 | Q2 16 | Q1 16 |
|---|---|---|---|---|---|---|---|---|
| Exploration | **$ 227** | $ 154 | $ 187 | $ 186 | $ 442 | $ 348 | $ 305 | $ 271 |
| General and administrative | **290** | 633 | 413 | 395 | 535 | 344 | 165 | 244 |
| Depreciation | **2** | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Operating loss | **519** | 790 | 603 | 584 | 980 | 696 | 474 | 519 |
| Foreign exchange loss (gain) | **5** | 498 | (161) | 125 | 502 | 51 | 223 | (514) |
| Interest, net | **(23)** | (22) | (13) | - | - | - | - | (2) |
| Income tax recovery | **(739)** | - | - | - | (553) | - | - | - |
| Net (income) loss | **$ (238)** | $ 1,266 | $ 429 | $ 709 | $ 929 | $ 747 | $ 697 | $ 3 |
| Basic and fully diluted income (loss) per share | **$ 0.00** | $ (0.02) | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.00) |

Amounts presented in the table prior to the completion of the Arrangement on May 9, 2017 were carved out from figures previously reported by Entrée in accordance with the continuity of interest basis of accounting (see Plan of Arrangement and Continuity of Interest section below).

Exploration costs have trended lower since Q1 2016 as the exploration and 2015 PEA programs at Ann Mason were completed. In Q4 2017, exploration costs included claim option payments and Q4 2016 exploration costs included staff reduction expenses and claim option payments.

General and administrative costs have increased since Q3 2016 due to a larger focus on the Ann Mason Project and the associated costs of the restructuring. Costs were higher in Q3 2017 due to share-based compensation expenses.

Income taxes in Q4 2017 and Q4 2016 were related to deferred income tax adjustments, primarily due to changes in the foreign exchange rate year on year and the Company's accounting policy related to functional currency.

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

# LIQUIDITY AND CAPITAL RESOURCES

| | Year ended December 31 | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| Cash flows used in operating activities | | | |
| - Before changes in non-cash working capital items | **$ (1,062)** | $ (2,556) | $ (6,896) |
| - After changes in non-cash working capital items | **(1,112)** | (2,345) | (8,297) |
| Cash flows from financing activities | **9,119** | 2,103 | 6,933 |
| Cash flows from investing activities | **-** | 14 | 33 |
| Net cash inflows (outflows) | **8,007** | (228) | (1,331) |
| Effect of exchange rate changes on cash | **(626)** | - | - |
| Cash balance | **$ 7,510** | $ 129 | $ 357 |
| Cash flows used in operating activities per share | | | |
| - Before changes in non-cash working capital items | **$ (0.01)** | $ (0.02) | $ (0.09) |
| - After changes in non-cash working capital items | **$ (0.01)** | $ (0.02) | $ (0.11) |

Amounts presented in the table prior to the completion of the Arrangement on May 9, 2017 were carved out from figures previously reported by Entrée in accordance with the continuity of interest basis of accounting (see Plan of Arrangement and Continuity of Interest section below).

Cash outflows after changes in non-cash working capital items for the 2017 year was 53% and 87% lower than the comparative years of 2016 and 2015, respectively, due to a reduction in exploration expenditures.

Cash flows from financing activities for the 2017 year consist of the cash transferred from Entrée pursuant to the Arrangement. The amounts in 2016 and 2015 pertain to financing provided by Entrée for general and administrative costs and exploration expenditures.

The Company is an exploration stage company and has not generated positive cash flows from its operations. As a result, the Company has been dependent on equity and production-based financings for additional funding. Working capital on hand at December 31, 2017 was approximately $7.5 million and the cash balance was approximately $7.5 million. Management believes it has adequate financial resources to satisfy its obligations over the next 12 month period and does not anticipate the need for additional funding during this time.

### Contractual Obligations

As at December 31, 2017, the Company had the following contractual obligations outstanding:

| | Total | Less than 1 year | Thereafter |
|---|---|---|---|
| Lease commitments | **$ 47** | **$ 47** | **$ -** |

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

# SHAREHOLDERS' EQUITY

On May 9, 2017, Mason and Entrée completed a strategic reorganization of Entrée's business through a plan of arrangement under Section 288 of the BCBCA. Under the Arrangement, each existing share of Entrée was exchanged for one "new" share of Entrée and 0.45 of a Mason common share. Optionholders and warrantholders of Entrée received replacement options and warrants of Entrée and options and warrants of Mason which were proportionate to, and reflective of the terms of, their existing options and warrants of Entrée.

The Company's authorized share capital consists of unlimited common shares without par value. On March 16, 2018, the Company had 78,190,863 common shares issued and outstanding, and 4,169,119 common share purchase warrants outstanding and exercisable. The Company also had 3,586,500 stock options outstanding, of which 3,529,188 had vested and were exercisable.

### Share Purchase Warrants

At December 31, 2017 and at the date of this MD&A, the following share purchase warrants were outstanding:

| Number of share purchase warrants (000's) | Price per share C$ | Expiry date |
|---:|---:|---:|
| 3,895 | 0.23 | January 10, 2022 |
| 274 | 0.23 | January 12, 2022 |

### Stock Options

The Company has adopted a stock option plan (the "Plan") to grant options to directors, officers, employees and service providers. Under the Plan, the Company may grant options to acquire up to 10% of the issued and outstanding shares of the Company. Options granted can have a term of up to ten years and an exercise price typically not less than the Company's closing stock price on the TSX on the last trading day before the date of grant. Vesting is determined at the discretion of the Board.

Under the Plan, an option holder may elect to terminate an option, in whole or in part and, in lieu of receiving shares to which the terminated option relates (the "Designated Shares"), receive the number of shares, disregarding fractions, which, when multiplied by the weighted average trading price of the shares on the TSX during the five trading days immediately preceding the day of termination (the "Fair Value" per share) of the Designated Shares, has a total dollar value equal to the number of Designated Shares multiplied by the difference between the Fair Value and the exercise price per share of the Designated Shares.

During the three month period ended December 31, 2017, 2,250 stock options with an exercise price of C$0.20 expired. Subsequent to December 31, 2017, an aggregate 416,250 stock options with an exercise price of C$0.20 were exercised or terminated, and an aggregate 425,250 stock options with an exercise price of C$0.20 expired. An aggregate of 61,587 common shares were issued, and the Company received gross proceeds of C$2,700 from the option exercises.

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

The following is a summary of stock options outstanding as at the date of this MD&A:

| Number of shares (000`s) | Vested (000`s) | Price per share C$ | Expiry date |
|---|---|---|---|
| 443 | 443 | 0.11 – 0.15 | April – December 2018 |
| 387 | 387 | 0.07 | December 2019 |
| 594 | 594 | 0.12 – 0.14 | July – December 2020 |
| 1,008 | 1,008 | 0.14 – 0.15 | March – November 2021 |
| 29 | 22 | 0.21 | May 2022 |
| 1,125 | 1,075 | 0.16 | July 2022 |
| 3,586 | 3,529 | | |

# OTHER DISCLOSURES

**Changes in Accounting Policies**

The Company has not adopted any new accounting standards for the year ended December 31, 2017 that have had a material impact on the Company's financial results. See note 4(m) of the 2017 audited consolidated financial statements, for a discussion of the accounting standards anticipated to be effective January 1, 2018 or later.

**Off-Balance Sheet Arrangements**

The Company had no material off-balance sheet arrangements as at the date of this MD&A.

**Related Party Transactions**

On May 9, 2017, Mason entered into an Administrative Services Agreement (the "ASA") with Entrée, a related party by virtue of the fact that it provides key management personnel services to Mason. Under the terms of the ASA, Entrée provides office space, furnishings and equipment, communications facilities and personnel necessary for Mason to fulfill its basic day-to-day head office and executive responsibilities on a pro-rata cost-recovery basis.

Included in the foregoing is a one-time restructure cost paid by Mason that is related to the Arrangement. This amount includes legal, filing and audit related costs directly attributable to the Arrangement.

Transactions with Entrée for goods and services are made on commercial terms through the ASA.

| | Three months ended December 31 | | Full year ended December 31 | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| Executive services | **$ 101** | $ 104 | **$ 268** | $ 302 |
| Corporate overhead | **$ 105** | $ - | **$ 280** | $ - |
| Investor communications | **$ 17** | $ - | **$ 45** | $ - |
| Restructure charge | **$ -** | $ - | **$ 175** | $ - |

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

The Company's key management personnel have the authority and responsibility for overseeing, planning, directing and controlling the Company's activities and consist of the board of directors and executive officers. Total compensation expense for directors and key management personnel (excluding amounts incurred by Mason under the ASA noted above), and the composition thereof, is as follows:

| | Three months ended December 31 | | Full year ended December 31 | |
|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** |
| Director's fees | **$ 12** | $ - | **$ 53** | $ - |
| Salaries and benefits | **$ -** | $ - | **$ 38** | $ - |
| Share-based compensation | **$ -** | $ 162 | **$ 125** | $ 185 |

Under the continuity of interest basis of accounting, compensation paid to the Company's directors and key management personnel up to May 9, 2017 have been allocated directly from Entrée on a pro-rata basis based on the level of exploration activities. These include salaries and benefits (included in Executive services under the ASA) and share-based compensation.

Included in the accounts payable and accrued liabilities balance on the audited consolidated financial statements for the year ended December 31, 2017 is $0.2 million due to Entrée related to the ASA.

**Financial Instruments**

a) Fair value classification of financial instruments

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Level 3 inputs are for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, receivables, deposits, accounts payable and accrued liabilities.

The carrying value of receivables, deposits, and accounts payable and accrued liabilities approximate their fair value due to their short terms to maturity. Cash is measured at fair value using level 1 inputs.

a) Financial risk management

i) Credit risk

The Company's credit risk is primarily attributable to cash and receivables.

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with large, highly rated financial institutions.

The Company`s receivables balance was not significant and, therefore, was not exposed to significant credit risk.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

ii) Liquidity risk

The Company manages liquidity risk by trying to maintain enough cash balances to ensure that it is able to meet its short term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and are regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

The Company's operating results may vary due to fluctuation in commodity price, inflation and foreign exchange rates.

Q4 2017 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

iii) Market risks

*Interest rate risk*

The Company's interest rate risk arises primarily from the interest received on cash and short-term deposits. Deposits are invested on a short-term basis to enable adequate liquidity for payment of operational and exploration expenditures. The Company does not believe that it is exposed to material interest rate risk on its cash.

As at December 31, 2017, the Company has not entered into any contracts to manage interest rate risk.

*Foreign exchange risk*

The functional currency of the parent and its subsidiaries is Canadian dollars ("C$"). The reporting currency is USD. A portion of the Company`s operating expenses are in USD.

As at December 31, 2017, the Company has not entered into contracts to manage foreign exchange risk.

The Company is exposed to foreign exchange risk through the following assets and liabilities:

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| Cash | $ 7,510 | $ 129 |
| Receivables | 49 | - |
| Accounts payable and accrued liabilities | (274) | (229) |
| | $ 7,285 | $ (100) |

As at December 31, 2017, with other variables unchanged, a 5% increase or decrease in value of the USD against the currencies to which the Company is normally exposed (C$) would result in an insignificant change in net loss.

# PLAN OF ARRANGEMENT AND CONTINUITY OF INTEREST

On February 24, 2017, Mason was incorporated under the BCBCA as a wholly owned subsidiary of Entrée for the purposes of completing a statutory plan of arrangement under Section 288 of the BCBCA. Pursuant to the Arrangement, which closed on May 9, 2017, shareholders of Entrée received common shares of Mason by way of a share exchange, in proportion to their shareholdings in Entrée.

Under the Arrangement, each existing share of Entrée was exchanged for one "new" share of Entrée and 0.45 of a Mason common share. Optionholders and warrantholders of Entrée received replacement options and warrants of Entrée and options and warrants of Mason which are proportionate to, and reflective of the terms of, their existing options and warrants of Entrée.

Subsequent to the completion of the Arrangement and as at the date of this MD&A, Mason holds the Ann Mason copper-molybdenum project in Nevada and the Lordsburg copper-gold property in New Mexico. The Company has 78,190,863 common shares issued and outstanding, and 4,169,119 common share purchase warrants and 3,586,500 stock options issued and outstanding. At the Annual and Special Meeting of Entrée securityholders held on May 1, 2017, Entrée shareholders approved a Stock Option Plan for Mason, a copy of which is available on SEDAR at www.sedar.com.

Mason is being managed by Entrée's current team of officers under an Administrative Services Agreement (effective May 9, 2017) with Entrée, pursuant to which Entrée provides office space, furnishings and equipment, communications facilities, and personnel necessary for Mason to fulfill its basic day-to-day head office and executive responsibilities on a pro-rata cost-recovery basis. Mason's Board consists of four directors who also currently sit on the Entrée Board, as well as one director who is independent of Entrée.

As Entrée shareholders received the Mason common shares in their respective, pre-Arrangement proportionate interests, no change of control resulted in either the Company, or the underlying assets acquired. As such, the Arrangement is considered a capital reorganization and is excluded from the scope of IFRS 3, *Business Combinations*.

Accordingly, the results up to May 9, 2017 have been presented in this MD&A, and in the audited consolidated financial statements for the year ended December 31, 2017, on a continuity of interest basis of accounting with financial positions prior to the Arrangement based on amounts related to the underlying assets previously recorded by Entrée. In addition, the information contained in the audited consolidated statements of comprehensive (income) loss and statements of changes in shareholders' equity have been derived from certain allocations from Entrée's financial statements, and management cautions readers of this MD&A that the allocation of expenses may not necessarily reflect, or be otherwise indicative of, the future financial performance of the Company.

## NON-IFRS PERFORMANCE MEASUREMENT

"Cash costs" and AISC are non-IFRS Performance Measurements. These performance measurements are included because these statistics are widely accepted as the standard of reporting cash costs of production in North America. These performance measurements do not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measurements should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The consolidated financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Judgments

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the Company and its subsidiaries, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained; and
- Pursuant to the carve-out basis of accounting, as described in note 2 of the consolidated financial statements, the Company is required to identify and allocate pre-Arrangement assets, liabilities, results from operations and cash flows of Entrée, which are deemed to be attributable to the Company. As common expenses have been allocated on a pro-rata basis based on the level of exploration expenditures incurred for the relevant periods, management is required to make estimates and judgements in performing the allocation.

Estimates

- The value of the exploration and evaluation assets which is recorded in the consolidated statements of financial position;
- The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based compensation expense. Certain inputs into the model are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control;
- The provision for income taxes which is included in the consolidated statements of comprehensive (income) loss and composition of deferred income tax assets and liabilities included in the consolidated statement of financial position; and
- A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The ultimate magnitude of these costs is uncertain, and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites, local inflation rates and exchange rates. The expected timing of expenditure can also change, for example, in response to changes in mineral reserves or production rates or economic conditions.

# RISKS AND UNCERTAINTIES

Measurement of the Company's assets and liabilities is subject to risks and uncertainties, including those related to reserve and resource estimates; title to mineral properties; future commodity prices; costs of future production; future costs of restoration provisions; changes in government legislation and regulations; future income tax amounts; the availability of financing; and various operational factors.

Mason is a mineral exploration company and is exposed to a number of risks and uncertainties; some of these risks and uncertainties have been discussed elsewhere in this MD&A. The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks.

***Political, economic and social conditions may adversely affect Mason's investments***

Mason's investments may be adversely affected by political, economic and social uncertainties which could have a material adverse effect on Mason's results of operations and financial condition. Certain areas in which Mason holds or may acquire properties may experience local political unrest and disruption which could potentially affect Mason's projects or interests. Changes in leadership, social or political disruption or unforeseen circumstances affecting political, economic and social structure could adversely affect Mason's property interests or restrict its operations. Mason's mineral exploration and development activities may be affected by changes in government regulations relating to the mining industry and may include regulations on production, price controls, labour, export controls, income taxes, expropriation of property, environmental legislation and safety factors.

***Mason's operations are subject to human error***

Despite efforts to attract and retain qualified personnel to manage Mason's interests, people are fallible and human error could result in significant uninsured losses to Mason. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Mason might undertake and legal claims for errors or mistakes by Mason personnel.

***Uncertainty exists related to Inferred mineral resources***

There is a risk that Inferred mineral resources referred to in this MD&A cannot be converted into Measured or Indicated mineral resources as there may be limited ability to assess geological continuity. Due to the uncertainty that may attach to Inferred mineral resources, there is no assurance that Inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute Proven and Probable mineral reserves as a result of continued exploration.

***Market for securities***

There can be no assurance that an active trading market for the Mason common shares will be sustained or that fluctuations in the trading price will not materially adversely impact on Mason's ability to raise equity funding without significant dilution to Mason shareholders, or at all.

***Mason may be subject to risks inherent in legal proceedings***

In the course of its business, Mason may from time to time become involved in various claims, arbitration and other legal proceedings, with and without merit. The nature and results of any such proceedings cannot be predicted with certainty. Any potential future claims and proceedings are likely to be of a material nature. In addition, such claims, arbitration and other legal proceedings can be lengthy and involve the incurrence of substantial costs and resources by Mason, and the outcome, and Mason's ability to enforce any ruling(s) obtained pursuant to such proceedings, are subject to inherent risk and uncertainty. The initiation, pursuit and/or outcome of any particular claim, arbitration or legal proceeding could have a material adverse effect on Mason's financial position and results of operations, and on Mason's business, assets and prospects. In addition, if Mason is unable to resolve any existing or future potential disputes and proceedings favorably, or obtain enforcement of any favorable ruling, if any, that may be obtained pursuant to such proceedings, it is likely to have a material adverse impact on Mason's business, financial condition and results of operations and Mason's assets and prospects as well as Mason's share price.

***Mason may be unable to enforce its legal rights in certain circumstances***

In the event of a dispute arising at or in respect of Mason's operations, Mason may be subject to the exclusive jurisdiction of U.S. courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or other jurisdictions. Mason may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity. Any adverse or arbitrary decision of a court, arbitrator or other governmental or regulatory body, or Mason's inability to enforce its contractual rights, may have a material adverse impact on Mason's business, assets, prospects, financial condition and results of operation as well as Mason's share price.

***Changes in, or more aggressive enforcement of, laws and regulations could adversely impact Mason's business***

Mining operations and exploration activities are subject to extensive laws and regulations. These relate to production, development, exploration, exports, imports, taxes and royalties, labor standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response and other matters. Compliance with these laws and regulations increases the costs of exploring, drilling, developing, constructing, operating and closing mines and other facilities. It is possible that the costs, delays and other effects associated with these laws and regulations may impact Mason's decision as to whether to continue to operate in the U.S. or whether to proceed with exploration or development of properties. Since legal requirements change frequently, are subject to interpretation and may be enforced to varying degrees in practice, Mason is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Changes in governments, regulations and policies and practices could have an adverse impact on Mason's future cash flows, earnings, results of operations and financial condition, which may have a material, adverse impact on Mason and Mason's share price.

***Resource and reserve estimates, including estimates for the Ann Mason and Blue Hill deposits, are estimates only, and are subject to change based on a variety of factors***

The estimates of reserves and resources, including the anticipated tonnages and grades that will be achieved or the indicated level of recovery that will be realized, are estimates only and no assurances can be given as to their accuracy. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques, and large scale continuity and character of the deposits will only be determined once significant additional drilling and sampling has been completed and analyzed. Actual mineralization or formations may be different from those predicted. It may also take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a deposit may change. Reserve and resource estimates are materially dependent on prevailing market prices and the cost of recovering and processing minerals at the mine site. Market fluctuations in the price of metals or increases in the costs to recover metals may render the mining of ore reserves uneconomical and materially adversely affect operations. Moreover, various short-term operating factors may cause a mining operation to be unprofitable in any particular accounting period.

Prolonged declines in the market price of metals may render reserves containing relatively lower grades of mineralization uneconomic to exploit and could reduce materially reserves and resources. Should such reductions occur, the discontinuation of development or production might be required. The estimates of mineral reserves and resources attributable to a specific property are based on accepted engineering and evaluation principles. The estimated amount of contained metals does not necessarily represent an estimate of a fair market value of the evaluated property. There are numerous uncertainties inherent in estimating quantities of mineral reserves and resources. The estimates in this MD&A and the 2017 PEA are based on various assumptions relating to commodity prices and exchange rates during the expected life of production, mineralization, the projected cost of mining, and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures, and recovery rates may vary substantially from those assumed in the estimates. Any significant change in the assumptions underlying the estimates, including changes that result from variances between projected and actual results, could result in material downward revision to current estimates, which may have a material adverse impact on Mason and Mason's share price.

***Mineral prices are subject to dramatic and unpredictable fluctuations***

Mason expects to derive revenues, if any, from the extraction and sale of base and precious metals such as copper, gold, silver and molybdenum. The price of those commodities has fluctuated widely in recent years, and is affected by numerous factors beyond Mason's control, including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities, increased production due to improved extraction and production methods and economic events. Ongoing worldwide economic uncertainty could lead to prolonged recessions in many markets which may, in turn, result in reduced demand for commodities, including base and precious metals.

The effect of these factors on the price of base and precious metals, and, therefore, the economic viability of any of Mason's projects, cannot accurately be predicted. Should prevailing metal prices remain depressed, there may be a curtailment or suspension of development and exploration activities. Mason would have to assess the economic impact of any sustained lower metal prices on recoverability and, therefore, the cut-off grade and level of resources. These factors could have an adverse impact on Mason's future cash flows, results of operations, stated resources and financial condition, which may have an adverse impact on Mason and Mason's share price.

***Mason has interests in properties that are not in commercial production. There is no assurance that the existence of any mineral reserves will be established on any of the properties in commercially exploitable quantities***

Mineral resources have been outlined on the Ann Mason and Blue Hill deposits in Nevada. Unless and until mineral reserves are established in economically exploitable quantities on a deposit, and the property is brought into commercial production, Mason cannot earn any revenues from operations on that deposit or recover all of the funds that it has expended on exploration and development.

Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. There is no assurance that commercial quantities of ore will be discovered on any of the properties in which Mason has an interest. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices and government regulations, including regulations relating to taxation, royalties, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of Mason. The probability of an individual prospect ever having mineral reserves that meet the requirements of the definition is extremely remote. There is no assurance that properties in which Mason has an interest contain any mineral reserves and that funds that Mason spends on exploration and development will not be lost.

***Mason is subject to substantial environmental and other regulatory requirements and such regulations are becoming more stringent. Non-compliance with such regulations could materially adversely affect Mason***

Mason's operations are subject to environmental regulations in the United States. 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.

Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Mason's operations. Environmental hazards may exist on the properties in which Mason holds interests which are presently unknown to Mason and which have been caused by previous or existing third-party owners or operators of the properties. Government approvals and permits are also often required in connection with various aspects of Mason's operations. To the extent that such approvals are required and not obtained, Mason may be delayed or prevented from proceeding with planned exploration or development of its mineral properties, which may have a material, adverse impact on Mason and its share price.

In the United States, exploration companies are required to apply to federal and state authorities for a work permit that specifically details the proposed work program. A reclamation bond based on the amount of surface disturbance may be requested prior to the issuance of the appropriate permit.

***There can be no assurance that Mason will be able to obtain or maintain any required permits***

Both mineral exploration and extraction require permits from various federal, state and local governmental authorities and are governed by laws and regulations, including those with respect to prospecting, mine development, mineral production, transport, export, taxation, labour standards, water rights, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that Mason will be able to obtain or maintain any of the permits required for the continued exploration or development of its mineral properties or for the construction and operation of a mine on those properties at economically viable costs. If required permits cannot be obtained or maintained, Mason may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties and Mason's business could fail.

***There can be no assurance that title to claims is free from defects***

In those jurisdictions where the Company has property interests, the Company makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims. The ownership and validity of mining claims are often uncertain and may be contested. There is no guarantee that title to the Company's properties will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

***If mineral reserves in commercially exploitable quantities are established on any of Mason's properties, Mason will require additional capital and may need to acquire additional lands in order to develop the property into a producing mine. If Mason cannot raise this additional capital or acquire additional lands, Mason will not be able to exploit the resource, and its business could fail***

If mineral reserves in commercially exploitable quantities are established on any of Mason's properties, Mason will be required to expend substantial sums of money to establish the extent of the resource, develop processes to extract it and develop extraction and processing facilities and infrastructure. Although Mason may derive substantial benefits from the discovery of a major deposit, there can be no assurance that such a resource will be large enough to justify commercial operations, nor can there be any assurance that Mason will be able to raise the funds required for development on a timely basis. If Mason cannot raise the necessary capital or complete the necessary facilities and infrastructure, its business may fail.

Mason may be required to acquire rights to additional lands in order to develop a mine if a mine cannot be properly located on Mason's properties. There can be no assurance that Mason will be able to acquire such additional lands on commercially reasonable terms, if at all.

***Mineral exploration and development is subject to extraordinary operating risks. Mason does not currently insure against these risks***

Mineral exploration and development involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Mason's operations will be subject to all of the hazards and risks inherent in the exploration and development of resources, including liability for pollution or hazards against which Mason cannot insure or against which Mason may elect not to insure. Any such event could result in work stoppages and damage to property, including damage to the environment. Mason does not currently maintain any insurance coverage against all of these operating hazards. The payment of any liabilities that arise from any such occurrence would have a material, adverse impact on Mason.

***The mining industry is highly competitive and there is no assurance that Mason will be successful in acquiring mineral claims. If Mason cannot acquire properties to explore for mineral resources, Mason may be required to reduce or cease operations***

The mineral exploration, development, and production industry is largely unintegrated. Mason competes with other exploration companies looking for mineral resource properties and the resources that can be produced from them.

Mason competes with many companies possessing greater financial resources and technical facilities. This competition could adversely affect its ability to acquire suitable prospects for exploration in the future. Accordingly, there can be no assurance that Mason will acquire any interest in additional mineral resource properties that might yield reserves or result in commercial mining operations.

***Mason can provide investors with no assurances that it will generate any operating revenues or ever achieve profitable operations***

Mason has never had any revenues from its operations. Mason anticipates that it will continue to incur operating costs without realizing any revenues until such time as the Ann Mason Project is brought into production. Mason expects to continue to incur significant losses into the foreseeable future. Mason recognizes that if it is unable to generate significant revenues from mining operations and any dispositions of its interests in properties, Mason will not be able to earn profits or continue operations. Mason can provide investors with no assurance that it will generate any operating revenues or ever achieve profitable operations.

***The fact that Mason has not earned any operating revenues since its incorporation may impact its ability to explore and develop certain of its mineral properties or require that exploration and development be scaled back***

Mason has not generated any revenue from operations since its incorporation. Mason anticipates that it will incur operating expenses without revenues unless and until it is able to identify a mineral reserve in a commercially exploitable quantity on one or more of its mineral properties and it builds and operates a mine. Mason believes that it will not have to raise any additional funds to meet its currently budgeted operating requirements for the next 12 months. If these funds are not sufficient, or if Mason does not begin generating revenues from operations sufficient to pay its operating expenses when Mason has expended them, Mason will be forced to raise necessary funds from outside sources. While Mason may be able to raise funds through strategic alliances, joint ventures, product streaming or other arrangements, it may raise its operating capital from sales of equity, but there can be no assurance that Mason will be able to do so. If Mason cannot raise the money that it needs to continue exploration and development of its mineral properties, there is a risk that Mason may be forced to delay, scale back, or eliminate certain of its exploration and development activities.

***Recent global financial conditions may adversely impact operations and the value and price of Mason common shares***

Global financial and market conditions continue to be volatile. This level of volatility may impact the ability of Mason to obtain equity or debt financing in the future and, if obtained, on terms favorable to Mason. If these levels of volatility and market turmoil continue, Mason's operations could be adversely impacted and the value and the price of Mason shares could be adversely affected.

***As a result of their shareholdings, Mantos and Hudbay potentially have the ability to influence Mason's business and affairs***

Mantos's and Hudbay's beneficial shareholdings in Mason, totaling 17.5% and 13.9% of outstanding Mason common shares, respectively, potentially give Mantos and Hudbay the voting power to influence the policies, business and affairs of Mason and the outcome of any significant corporate transaction or other matter, including a take-over bid, merger, business combination or a sale of all, or substantially all, of Mason's assets. The share position of Mantos and Hudbay may have the effect of delaying, deterring or preventing a transaction involving a change of control of Mason in favour of a third party that otherwise could result in a premium in the market price of Mason common shares in the future.

***Mason's Articles and indemnity agreements between Mason and its officers and directors indemnify its officers and directors against costs, charges and expenses incurred by them in the performance of their duties***

Mason's Articles contain provisions requiring Mason to indemnify Mason's officers and directors against all judgments, penalties or fines awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action in which such party, by reason of being a director or officer of Mason, is or may be joined. Mason also has indemnity agreements in place with its officers and directors. Such limitations on liability may reduce the likelihood of derivative litigation against Mason's officers and directors and may discourage or deter Mason's shareholders from suing its officers and directors based upon breaches of their duties to Mason, though such an action, if successful, might otherwise benefit Mason and Mason's shareholders.

***Investors' interests in Mason will be diluted and investors may suffer dilution in their net book value per Mason common share if Mason issues stock options or if Mason issues additional common shares to finance its operations***

Mason has never generated revenue from operations, and it is currently without a source of revenue. Mason will most likely be required to issue additional shares to finance Mason's operations and may issue additional shares to finance additional exploration and development programs on any or all of Mason's properties or to acquire additional properties. Mason may also in the future grant to some or all of Mason's directors, officers, employees and service providers additional options to purchase common shares as non-cash incentives to those persons. Such options may be granted at prices equal to market prices, or at prices as permitted under the policies of the TSX and Mason's Stock Option Plan, when the public market is depressed. The issuance of any equity securities could, and the issuance of any additional common shares will, cause dilution of the equity interests of Mason shareholders.

***Earnings and dividend record***

Mason has no earnings or dividend record. Mason has not paid dividends on Mason common shares since incorporation and does not anticipate doing so in the foreseeable future. Mason's current intention is to apply any future net earnings to increase its working capital. Prospective investors seeking or needing dividend income or liquidity should, therefore, not purchase Mason common shares. Mason currently has no revenue and a history of losses, so there can be no assurance that Mason will ever have sufficient earnings to declare and pay dividends to the holders of Mason common shares.

***Conflicts of interest***

Certain of Mason's officers and directors may be or become associated with other natural resource companies that acquire interests in mineral properties. In addition, certain individuals also serve as directors or officers of Entrée and are subject to the ASA. Such associations may give rise to conflicts of interest from time to time. Mason's directors are required by law to act honestly and in good faith with a view to its best interests and to disclose any interest which they may have in any of its projects or opportunities. In general, if a conflict of interest arises at a meeting of a board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter or, if he does vote, his vote does not count.

***Dependence on key management personnel***

Mason's ability to continue its exploration and development activities and to develop a competitive edge in the marketplace depends, in large part, on its ability to attract and maintain qualified key management personnel. Competition for such personnel is intense, and there can be no assurance that Mason will be able to attract and retain such personnel. Its development now, and in the future, will depend on the efforts of key management figures. Access to and the use of Entrée's senior officers is currently provided to Mason pursuant to the ASA. Entrée will face these same challenges and cannot assure the retention of key personnel providing services to Mason. The loss of any of these key people could have a material adverse effect on Mason's business. Mason does not currently maintain key-man life insurance on any of its key employees. Entrée currently only maintains key-man life insurance on Mason's President & Chief Executive Officer.

***Fluctuations in currency exchange rates***

Fluctuations in Canadian and United States currency exchange rates may significantly impact Mason's financial position and results.

***Mason is subject to anti-corruption legislation***

Mason is subject to the U.S. Foreign Corrupt Practices Act and Canada's *Corruption of Foreign Officials Act* (collectively, "Anti-Corruption Legislation"), which prohibits Mason or any officer, director, employee or agent of Mason or any Mason shareholder on its behalf from paying, offering to pay, or authorizing the payment of anything of value to any government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. Anti-Corruption Legislation also requires public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls. Mason's business activities create the risk of unauthorized payments or offers of payments by its employees, consultants, service providers or agents, even though they may not always be subject to its control. Mason prohibits these practices by its employees, consultants, service providers and agents. However, Mason's existing safeguards and any future improvements may prove to be less than effective, and its employees, consultants, service providers and agents may engage in conduct for which it might be held responsible. Any failure by Mason to adopt appropriate compliance procedures and ensure that its employees, consultants, service providers and agents comply with Anti-Corruption Legislation could result in substantial penalties or restrictions on Mason's ability to conduct business, which may have a material adverse impact on Mason and the price of Mason shares.

***Increased costs and compliance risks as a result of being a public company***

Legal, accounting and other expenses associated with public company reporting requirements have increased significantly over time. Mason anticipates that general and administrative costs associated with regulatory compliance will continue to increase with new rules implemented by the Canadian Securities Administrators, the OTCQB and the TSX in the future. These rules and regulations will significantly increase Mason's legal and financial compliance costs and make some activities more time-consuming and costly. There can be no assurance that Mason will continue to effectively meet all of the requirements of these rules and regulations, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators ("NI 52-109"), and the continued listing standards of the TSX and OTCQB. Any failure to effectively implement internal controls, or to resolve difficulties encountered in their implementation, could harm Mason's operating results, cause Mason to fail to meet reporting obligations or result in management being required to give a qualified assessment of Mason's internal controls over financial reporting or Mason's independent auditors providing an adverse opinion regarding management's assessment. Any such result could cause investors to lose confidence in Mason's reported financial information, which could have a material adverse effect on the trading price of Mason shares. Any failure to comply with the continued listing standards of the TSX or OTCQB could result in, among other things, the initiation of delisting proceedings. Ongoing compliance requirements will also make it more difficult and more expensive for Mason to obtain director and officer liability insurance, and Mason may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage in the future. As a result, it may be more difficult for Mason to attract and retain qualified individuals to serve on its board of directors or as executive officers. If Mason fails to maintain the adequacy of its internal control over financial reporting, Mason's ability to provide accurate financial statements and comply with the requirements of NI 52-109 could be impaired, which could cause the price of Mason shares to decrease.

***Future negative effects due to changes in tax regulations cannot be excluded***

Mason runs its business in different jurisdictions and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these jurisdictions are complicated and subject to change. For this reason, the possibility of future negative effects on the results of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other jurisdictions may be subject to withholding taxes. Mason has no control over withholding tax rates.

***Internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation***

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

***Mason's operations depend on information technology ("IT") systems***

These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. Mason's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Mason's reputation and results of operations. Although to date Mason has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that Mason will not incur such losses in the future. Mason's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, Mason may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

# DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining disclosure controls and procedures, which provide reasonable assurance that material information relating to the Company and its subsidiaries is accumulated and communicated to management to allow timely decisions regarding required disclosure. Management has evaluated the effectiveness of its disclosure controls and procedures as of December 31, 2017 and believes its disclosure controls and procedures are effective.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only a reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects 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 judgments 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 control. The design of any systems of controls is also based in part on certain assumptions about the likelihood of certain events, and there can be no assurance that any design can achieve its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

# INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for designing internal control over financial reporting, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management evaluated the Company’s internal control over financial reporting at December 31, 2017 and concluded that it is effective and that no material weakness relating to design or operations exists. No change in the Company’s internal control over financial reporting occurred during the period beginning on September 1, 2017 and ended on December 31, 2017 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

# OVERSIGHT OF THE AUDIT COMMITTEE

The Audit Committee of the Board reviews, with management and the external auditors, the Company’s annual MD&A and related annual audited consolidated financial statements. The Board approves the release of such information to shareholders. For each audit, the external auditors prepare a report for members of the Audit Committee summarizing key areas, significant issues and material internal control weaknesses encountered, if any.

# FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian securities laws.

Forward-looking statements include, but are not limited to, statements with respect to corporate strategies and plans of Mason; requirements for additional capital; uses of funds; the value and potential value of assets and the ability of Mason to maximize returns to shareholders; the future prices of copper, gold, molybdenum and silver; the estimation of mineral reserves and resources; the realization of mineral reserve and resource estimates; anticipated future production, capital and operating costs, cash flows and mine life; completion of a Pre-Feasibility study on the Ann Mason Project; a potential strategic development partner for the Ann Mason Project; the potential impact of future exploration results on Ann Mason mine design and economics; the potential development of Ann Mason; potential types of mining operations; potential size of a mineralized zone; potential expansion of mineralization; potential discovery of new mineralized zones; potential metallurgical recoveries and grades; plans for future exploration and development programs and budgets; permitting time lines; anticipated business activities; proposed acquisitions and dispositions of assets; and future financial performance.

In certain cases, forward-looking statements and information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budgeted”, “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”, “will be taken”, “occur” or “be achieved”. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of Mason’s future performance and are based on numerous assumptions regarding present and future business strategies, local and global economic conditions, legal proceedings and negotiations, and the environment in which Mason will operate in the future, including the price of copper, gold, silver and molybdenum.

Other uncertainties and factors which could cause actual results to differ materially from future results expressed or implied by forward-looking statements and information include, amongst others, unanticipated costs, expenses or liabilities; discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries; the size, grade and continuity of deposits not being interpreted correctly from exploration results; the results of preliminary test work not being indicative of the results of future test work; fluctuations in commodity prices and demand; changing foreign exchange rates; the availability of funding on reasonable terms; the impact of changes in interpretation to or changes in enforcement of laws, regulations and government practices, including laws, regulations and government practices with respect to mining, foreign investment, royalties and taxation; the terms and timing of obtaining necessary environmental and other government approvals, consents and permits; the availability and cost of necessary items such as power, water, skilled labour, transportation and appropriate smelting and refining arrangements; and misjudgements in the course of preparing forward-looking statements.

In addition, there are also known and unknown risk factors which may cause the actual results, performance or achievements of Mason to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements and information. Such factors include, among others, risks related to international operations, including legal and political risk; risks associated with changes in the attitudes of governments to foreign investment; changes in project parameters as plans continue to be refined; discrepancies between actual and anticipated production, mineral reserves and resources and metallurgical recoveries; global financial conditions; inability to upgrade Inferred mineral resources to Indicated or Measured mineral resources; inability to convert mineral resources to mineral reserves; conclusions of economic evaluations; future prices of copper, gold, silver and molybdenum; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining government approvals, permits or licences or financing or in the completion of development or construction activities; environmental risks; title disputes; limitations on insurance coverage; as well as those factors discussed in the section entitled "Risk and Uncertainties" in this MD&A and in the section entitled "Risk Factors" in the AIF. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. Accordingly, readers should not place undue reliance on forward-looking statements.

# TECHNICAL INFORMATION

Robert Cinits, P.Geo., Mason's Chief Operating Officer and a Qualified Person as defined by NI 43-101, has approved the scientific and technical disclosure in this MD&A.

## Cautionary Note to United States Investors - Canadian Disclosure Standards in Mineral Resources and Mineral Reserves

The terms "mineral reserve", "Proven mineral reserve" and "Probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM Definition Standards - For Mineral Resources and Mineral Reserves, adopted by the CIM Council on May 10, 2014, as may be amended from time to time by the CIM.

The definitions of Proven and Probable reserves used in NI 43-101 differ from the definitions in the SEC Industry Guide 7. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three year history average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "Measured mineral resource", "Indicated mineral resource" and "Inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred mineral resources may not form the basis of feasibility or prefeasibility studies, except in rare cases.

Accordingly, information contained in this MD&A containing descriptions of Mason's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.