Management's Discussion and Analysis
Second Quarter Ended June 30, 2018

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

August 7, 2018

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2018 and the audited financial statements for the year ended December 31, 2017 and related notes. The unaudited condensed consolidated interim financial statements have been prepared under the continuity of interest basis of accounting and with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including IAS 34, Interim Financial Reporting. References to "Mason" and the "Company" are to Mason Resources Corp. and/or one or more of its wholly-owned subsidiaries. For further information on the Company, reference should be made to its continuous disclosure (including the Company's Annual Information Form for the year ended December 31, 2017 dated March 16, 2018 ("AIF"), which 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 the Company's 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 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.

Q2 2018 HIGHLIGHTS

- Net loss for Q2 2018 was $0.4 million, which was comparable to the same period of 2017. For the 2018 year to date, net loss was $0.7 million which is a reduction of 36% compared to the comparative period of 2017 ($1.1 million net loss). The reduction in the year to date net loss was due mainly to one-time costs associated with the strategic reorganization in 2017.
- The Company's cash balance at June 30, 2018 was $6.9 million with no debt and the working capital balance was $6.7 million.

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 porphyry 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 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") on SEDAR at www.sedar.com.

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.

As at June 30, 2018, Hudbay Minerals Inc. owned 10,854,170 common shares or 13.9% of the outstanding shares of the Company and Mantos Copper (Bermuda) Limited held 13,664,757 common shares or 17.5% of the outstanding shares of the Company.

Mason's common shares commenced trading on the Toronto Stock Exchange ("TSX") on May 12, 2017 under the symbol "MNR", and on the OTCQB on November 9, 2017 under the symbol "MSSNF".

OUTLOOK AND STRATEGY

Corporate

The Company's corporate focus is to maximize market value through assessing and executing on options to move the Ann Mason Project 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 copper-gold porphyry property in New Mexico and additional potential new exploration acquisitions. Fiscal responsibility, including restricting cash expenditures to 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 alternative 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 2018 are mainly for claim fees and local administration costs. The Company expects to spend approximately $0.1 million for the 2018 year.

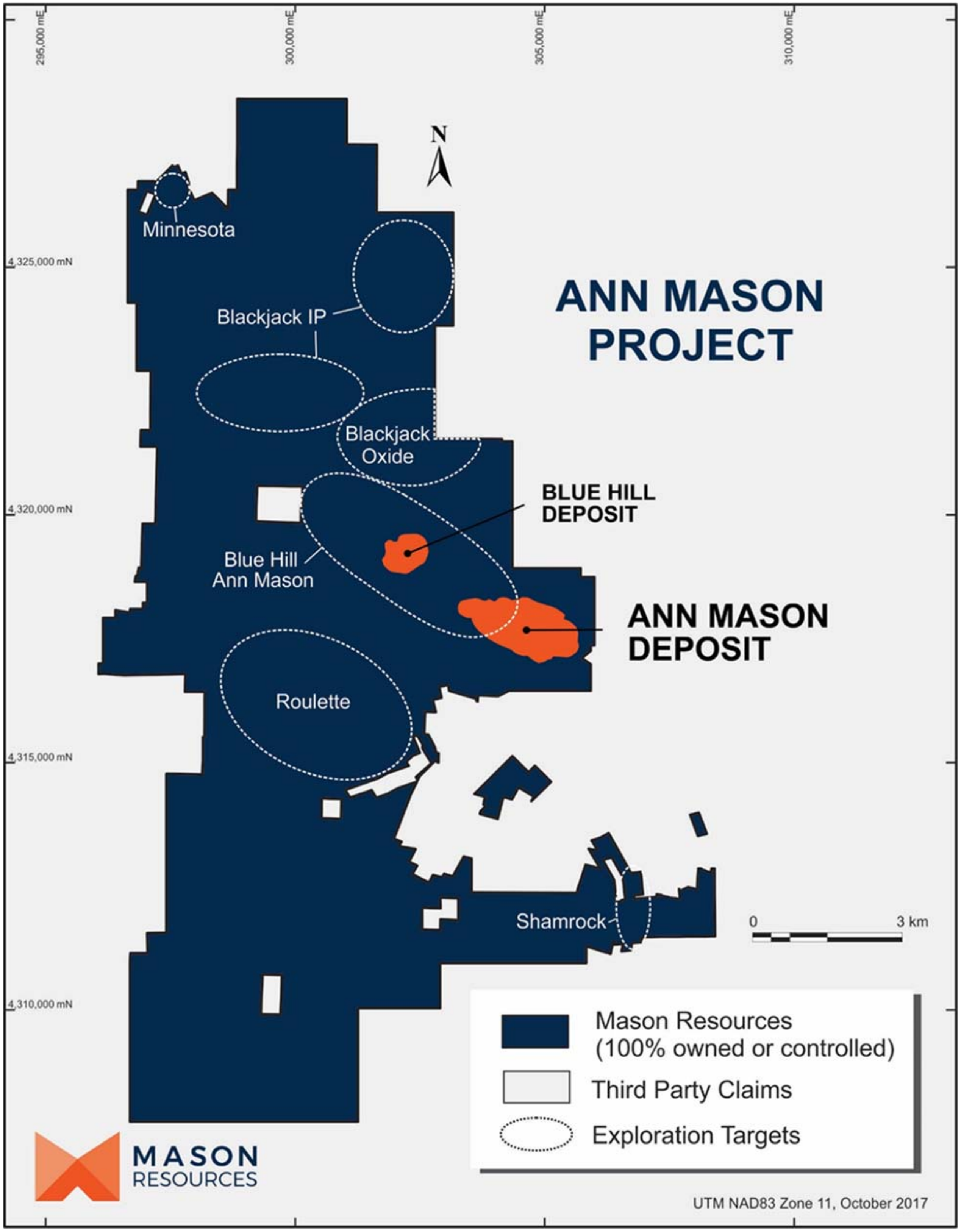
ANN MASON PROJECT – NEVADA, U.S.A.

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); or (2) an option agreement with EMX Royalty Corp. (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 Gold Ltd ("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, $11.00/lb molybdenum, $1,200.00/oz gold, $20.00/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.

Q2 2018 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, $1,495.00/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.

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.

Q2 2018 Review

A program of geological mapping and sampling has been intermittently continuing 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 X-ray fluorescence (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 and six months ended June 30, 2018, Ann Mason Project expenses were $0.2 million and $0.4 million, respectively, compared to $0.2 million and $0.4 for the same periods of 2017. Expenses consisted mainly of employee salaries, option payments, corporate services and site maintenance costs.

LORDSBURG PROPERTY – NEW MEXICO, U.S.A.

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.

Q2 2018 Review

The Company did not undertake any exploration work on this property during Q2 2018. 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 the three and six months ended June 30, 2018 and related to surface rental payments and other holding costs.

SUMMARY OF CONSOLIDATED FINANCIAL OPERATING RESULTS

On May 9, 2017, Mason and Entrée Resources Ltd. ("Entrée") completed a strategic reorganization of Entrée's business through a plan of arrangement (the "Arrangement"). The consolidated financial operating results for the comparative periods 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.

Q2 2018 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

Operating Results

	Three months ended June 30		Six months ended June 30	
	2018	**2017**	**2018**	**2017**
Expenses				
Exploration	**$ 234**	$ 187	**$ 388**	$ 373
General and administrative	**261**	410	**582**	806
Share-based compensation	**2**	3	**4**	3
Depreciation	**2**	3	**4**	5
Operating loss	**499**	603	**978**	1,187
Foreign exchange gain	**(97)**	(161)	**(248)**	(35)
Gain on sale of asset	**(1)**	-	**(1)**	(35)
Interest, net	**(29)**	(13)	**(54)**	(14)
Loss before income taxes	**372**	429	**675**	1,138
Income tax expense	**-**	-	**-**	-
Net loss	**372**	429	**675**	1,138
Other comprehensive income				
Foreign currency translation	**936**	(3,077)	**2,290**	(2,126)
Total comprehensive loss (income)	**$ 1,308**	$ (2,648)	**$ 2,965**	$ (988)
Net loss per common share				
Basic and fully diluted	**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Total assets	**$ 46,539**	$ 49,491	**$ 46,539**	$ 49,491
Total non-current liabilities	**$ 2,276**	$ 3,015	**$ 2,276**	$ 3,015

Exploration expenses for Q2 2018 were mainly related to the Ann Mason Project and were comparable to the same period of 2017. Exploration expenses relating to the Lordsburg property during these periods were minimal.

General and administrative costs in Q2 2018 included costs of $0.2 million related to administrative and executive services through the Administrative Services Agreement with Entrée (“ASA”) (see “Other Disclosures – Related Party Transactions” below). The expenses in Q2 2018 are 36% lower than the comparative period in 2017 due mainly to one-time costs associated with the strategic reorganization in 2017.

Q2 2018 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

Quarterly Financial Data – 2 year historic trend

	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16
Exploration	**$ 234**	$ 154	$ 227	$ 154	$ 187	$ 186	$ 442	$ 348
General and administrative	**263**	323	290	633	413	395	535	344
Depreciation	**2**	2	2	3	3	3	3	4
Operating loss	**499**	479	519	790	603	584	980	696
Foreign exchange (gain) loss	**(97)**	(151)	5	498	(161)	125	502	51
Interest, net	**(30)**	(25)	(23)	(22)	(13)	-	-	-
Income tax recovery	**-**	-	(739)	-	-	-	(553)	-
Net loss (income)	**$ 372**	$ 303	$ (238)	$ 1,266	$ 429	$ 709	$ 929	$ 747
Basic and fully diluted (loss) income per share	**$ (0.00)**	$ (0.00)	$ 0.00	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

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.

Exploration costs have trended lower since Q3 2016 as exploration activity and 2015 PEA programs at the Ann Mason Project were completed. In Q4 2016, exploration costs included staff reduction expenses and claim option payments.

General and administrative costs have trended lower since Q3 2016 due to the completion of restructuring activities. 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.

LIQUIDITY AND CAPITAL RESOURCES

	Six months ended June 30	
	2018	**2017**
Cash flows used in operating activities		
- Before changes in non-cash working capital items	**$ (895)**	$ (79)
- After changes in non-cash working capital items	**(685)**	174
Cash flows from financing activities	**2**	8,843
Cash flows from investing activities	**94**	-
Net cash (outflows) inflows	**$ (589)**	$ 9,017
Effect of exchange rate changes on cash	**(28)**	5
Cash balance	**$ 6,893**	$ 9,151
Cash flows used in operating activities per share		
- Before changes in non-cash working capital items	**$ (0.01)**	$ (0.00)
- After changes in non-cash working capital items	**$ (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.

Q2 2018 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

Cash outflows after changes in non-cash working capital items for the six months ended June 30, 2018 was $0.7 million compared to a cash inflow after changes in non-cash working capital items for the same period in 2017 of $0.2 million due to foreign exchange differences and increased accounts payable balances.

Cash flows from financing activities for the six months ended June 30, 2018 was lower than for the same period in 2017 due to the transfer of cash from Entrée pursuant to the Arrangement in 2017.

The Company is an exploration stage company and has not generated positive cash flows from its operations. As a result, the Company received its funding pursuant to the Arrangement. Working capital on hand at June 30, 2018 was approximately $6.7 million and the cash balance was approximately $6.9 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 June 30, 2018, the Company had the following contractual obligations outstanding:

	Total	Less than 1 year	Thereafter
Lease commitments	**$ 20**	$ 20	$ -

SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of unlimited common shares without par value. On June 30, 2018, the Company had 78,222,872 common shares issued and outstanding (December 31, 2017 – 78,129,276), and 4,169,119 common share purchase warrants outstanding and exercisable. The Company also had 3,496,500 stock options outstanding (December 31, 2017 – 4,428,000), of which 3,446,500 had vested and were exercisable (December 31, 2017 – 4,320,687).

Share Purchase Warrants

At June 30, 2018 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 months ended June 30, 2018, stock options to purchase 90,000 Designated Shares with an exercise price of C$0.12 were terminated and an aggregate of 32,009 common shares were issued.

On July 17, 2018, the Company awarded an aggregate of 2,220,000 options under the Plan at an exercise price of C$0.19 to directors, officers, employees and service providers of the Company, expiring July 16, 2023.

Q2 2018 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
353	353	0.11 – 0.15	September – 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
1,154	1,104	0.16 – 0.21	May – July 2022
2,220	2,220	0.19	July 2023
5,716	5,666		

OTHER DISCLOSURES

Changes in Accounting Policies

The Company has not adopted any new accounting standards for the six months ended June 30, 2018 that have had a material impact on the Company's financial results. See note 4(m) of the audited financial statements for the year ended December 31, 2017 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 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.

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

	Three months ended June 30		Six months ended June 30	
	2018	**2017**	**2018**	**2017**
Executive services	**$ 97**	$ 67	**$ 275**	$ 67
Corporate overhead	**$ 70**	$ 70	**$ 140**	$ 70
Investor communications	**$ -**	$ 11	**$ -**	$ 11
Restructure charge	**$ -**	$ 195	**$ -**	$ 195

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:

Q2 2018 MD&A (table amounts expressed in thousands of US Dollars, except per share amounts and where otherwise noted)

	Three months ended June 30		Six months ended June 30	
	2018	**2017**	**2018**	**2017**
Director's fees	**$ 12**	$ 13	**$ 24**	$ 29
Share-based compensation	**$ 2**	$ -	**$ 4**	$ -

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.

Included in the accounts payable and accrued liabilities balance on the condensed consolidated interim financial statements as at June 30, 2018 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.

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 June 30, 2018, 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 United States dollars (“USD”). A portion of the Company`s operating expenses are in USD.

As at June 30, 2018, the Company has not entered into contracts to manage foreign exchange risk.

As at June 30, 2018, 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.

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 financial statements in conformity with IFRS requires Mason to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require judgments about matters that are inherently uncertain.

The Company’s estimates identified as being critical are substantially unchanged from those disclosed in the MD&A for the year ended December 31, 2017.

RISKS AND UNCERTAINTIES

The Company and its future business, operations and financial condition are subject to various risks and uncertainties due to the nature of the industry in which it operates, the present stage of exploration of its mineral properties and the jurisdictions in which it carries on business. The material risks and uncertainties affecting Mason, their potential impact, and the Company’s principal risk-management strategies are substantially unchanged from those disclosed in its MD&A for the year ended December 31, 2017 and in its AIF dated March 16, 2018 in respect of such period, both of which are available on SEDAR at www.sedar.com and on the Company’s website at www.MasonResources.com.

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. No change in the Company’s internal control over financial reporting occurred during the period beginning on April 1, 2018 and ended on June 30, 2018 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

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 Pre-Feasibility 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.