FIRST QUARTER OF 2016

(March 31, 2016)

RADISSON MINING RESOURCES INC.

MANAGEMENT’S DISCUSSION AND ANALYSIS

This Management’s discussion and analysis (MD&A), prepared in compliance with the provisions of Form 51-102F1, approved by the Board of Directors and dated May 19, 2016, should be read in conjunction with the interim financial statements as at March 31, 2016.

The interim financial statements for the three months ended March 31, 2016 were prepared in accordance with International Financial Reporting Standards (“IFRS”).

The reporting currency is the Canadian dollar (CAD) and all amounts presented in the MD&A are in Canadian dollars.

FORWARD-LOOKING INFORMATION

The MD&A contains forward-looking statements that reflect, at the date of the MD&A, the Company’s expectations, estimates and projections with regard to its operations, the mining industry in general, and the economic environment in which it operates. Although reasonable, the statements entail a certain amount of risk and uncertainty and there is no guarantee that they will prove to be accurate. Consequently, actual results could be materially different from those implied or expressed by these forward-looking statements.

TOTAL HOLDINGS

Radisson has a portfolio of five properties, covering a total area of 3,142.83 hectares. Canada's political system is stable, and Quebec has a great deal to offer in terms of tax benefits, access to a qualified workforce and suppliers recognized for their expertise in the mining sector.

It should be pointed out again that Radisson’s most promising properties, O’Brien and Kewagama, are located in the province of Quebec, which continues to be recognized as an attractive jurisdiction for exploration and mine development. In February 2015, the Fraser Institute ranked Quebec 6th in the world for its attractiveness investment for mining development.

PROPERTIES IN QUEBEC (AS AT MARCH 31, 2016)

Property	Number of Claims	Area (hectares)	Mineralization	Interest
Douay	**30**	**1,522.48**	**Gold**	**100%**
Estrades	**14**	**590.60**	**Copper, silver**	**100%**
OBrien	**21**	**637.10**	**Gold**	**100%**
Lac Gouin - SSO	**7**	**392.65**	**Phosphate**	**100%**

O’BRIEN PROJECT

Radisson’s main asset, the O’Brien gold project, consisting of three zones (Old O’Brien, Zone 36 East and Kewagama), is located approximately 8 km west of producing gold mine, Lapa, owned by Agnico-Eagle, and right next to Globex’s Central-Cadillac and Wood-Pandora properties, to the east. All these properties lie within the Abitibi gold belt, in the Malartic-Cadillac sector, and are cut by the prolific Cadillac Break. This major fault crosses Radisson’s properties over about 4.5 km along their full length.

The O’Brien project, located halfway between the towns of Rouyn-Noranda and Val-d'Or, comprises 21 claims covering a total area of 637.10 hectares. The project is located about 3.7 km southeast of Agnico-Eagle’s LaRonde mine, now over 3,000 meters (10,000 feet) in depth.

The O’Brien project hosts the former O’Brien Mine, which is considered to have been the richest mine in Quebec and the main gold producer of the Cadillac Mining Camp when it was in operation, with a production, from 1926 to 1957, of 587,121 ounces of gold from 1,197,147 tons of ore for an average recovered grade of 15.25 g/t (43-101 Technical Report, InnovExplo, April 2015). This mine reached a depth of 3,450 feet (1,051 meters) below surface.

New National Instrument 43-101 Technical Report (Filed on SEDAR on June 4, 2015)

Independent consulting firm InnovExplo completed a new mineral resource estimate of the O'Brien project using 3D block model method. The mineral resource update includes exploration work completed by Radisson on 36E and Kewagama areas between 2007 and 2012.

June 4, 2015 resource estimate highlights are presented below:

- 13% increase in indicated resources, for a total of 119,819 ounces Au
- 181% increase in inferred resources, for a total of 188,466 ounces Au
- The Kewagama zone was incorporated into the current mineral resource estimate
- The current resource estimate includes the 36 East and Kewagama zones
- Potential for expanding resources laterally and at depth

2015 – O'Brien Project – Mineral Resource Estimate at a 3.5 g/t Au Cut-Off (O'Brien and Kewagama Claim Blocks) Sensitivity to Other Cut-Off Scenarios

Indicated					Inferred				
Zone	Cut-off	Tonnage	Grade	Ounces	Zone	Cut-off	Tonnage	Grade	Ounces
All Zones	2.00	1,384,700	4.22	188,049	All Zones	2.00	3,388,500	3.64	396,601
	2.50	991,200	5.01	159,770		2.50	2,254,100	4.36	315,725
	3.00	748,800	5.75	138,456		3.00	1,525,300	5.12	251,293
	3.50	570,800	6.53	119,819		3.50	918,300	6.38	188,466
	4.00	444,300	7.33	104,676		4.00	663,500	7.42	158,273
	5.00	320,800	8.43	86,939		5.00	486,200	8.52	133,245

- The Independent and Qualified Persons for the Mineral Resource Estimate, as defined by NI 43-101, are Pierre-Luc Richard, P.Geo., M.Sc. and Alain Carrier, P.Geo., M.Sc., of InnovExplo Inc., and the effective date of the estimate is April 10, 2015.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- The resource model includes the previously named 36E and Kewagama zones. The historical O'Brien mine area is not included in this resource as it is not compiled nor validated at the time this estimate is being published. The model includes 56 gold-bearing zones; not all of which include resources at the official cut-off grade. A dilution envelope was also modelled, but no resource at the official cut-off grade is being reported for said envelope.
- Results are presented in situ and undiluted.
- Sensitivity scenarios were compiled at 2.0, 2.5, 3.0, 3.5, 4.0 and 5.0 g/t Au cut-off grades. The official resource is reported at 3.5 g/t Au cut-off grade.
- Cut-off grades must be re-evaluated in light of prevailing market conditions (gold price, exchange rate and mining cost).
- A fixed density of 2.67g/cm^3 was used for all zones.
- A minimum true thickness of 1.5 meter was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed.
- High grade capping (Au) was done on raw assay data and established on a sector basis (Western zones: 65 g/t, Eastern zones: 30 g/t, Western dilution zone: 3.5 g/t Eastern dilution zone: 4.0 g/t).
- Compositing was done on drill hole intercepts falling within the mineralized zones (composite = 0.80 m).
- Resources were evaluated from drill hole using a 2-pass inverse squared distance (ID2) interpolation method in a block model (block size = 3 m x 3 m x 3 m).
- The inferred category is only defined within the areas where blocks were interpolated during pass 1 or pass 2. The indicated category is only defined in areas where the maximum distance to closest drill hole composite is less than 20 meters for blocks interpolated in pass 1. Reclassification was conducted locally in order to respect CIM guidelines.
- Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (meters, tonnes and g/t).
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in NI 43-101.
- InnovExplo is not aware of any known environmental, permitting, legal, title-related, tax, socio-political, marketing or other relevant issue that could materially affect the Mineral Resource Estimate.

New National Instrument 43-101 Technical Report (Filed on SEDAR on January 29, 2016)

With purpose of defining economic potential of known mineralized sectors 36E and Kewagama, in 2015 Radisson mandated InnovExplo to prepare a PEA for the O'Brien project. The PEA is based on the *Technical report for the O'Brien project* resource estimate deposited on June 4th, 2015 for the O'Brien project. Resource estimate is based on a cut-off of 3.5g/t Au and a minimum true thickness of 1.5 meters. For the purpose of the PEA, in order to reflect mining methods and a gold price of U$1,180, an average cut-off grade of 5.21 g/t Au has been used for stopes design.

Highlights of PEA for the O'Brien project are presented below:

Production profile (Diluted Head grade after mining)

Year	Tonnes	Grade (g/t Au)	Au ounces recovered
Preproduction	3,196	7.05	663
Preproduction	66,668	6.47	12,682
1	158,574	6.87	32,057
2	169,891	7.04	35,206
3	186,934	5.50	30,261
4	127,259	6.53	24,439
Total	**712,521**	**6.46**	**135,308**

Base case assumptions and highlights

Parameters	Results
Current mineral resources included (indicated and inferred)	712,521 tons @ 6.46 g/t Au
Mill recovery	91,5%
Life of mine « LOM » (including 24 months of preproduction)	6 years
Daily mine production	440 tpd
Gold recovered over the life of mine	135,308 oz
Gold price (US $)	$1,180
Exchange rate	1.25
Gold price (CAD $)	$1,475
Total gross revenue	199.6M
Preproduction capital cost	36.8M
Average operating cost per tonne	$178/tonne
Average operating cost per ounce in US$	US $752 /ounce
Pre tax	
NPV (at 5% discount rate)	0.2M$
Internal rate of return	5.18%
Payback period (years)	5.6 years
After tax	
NPV (at 5% discount rate)	(1.9) M$
Internal rate of return	3.15%
Payback period (years)	5.8 years

Recommendations

InnovExplo made the following recommendations spreaded over two phases as the next steps of the O'Brien project. Radisson will include these recommendations in whole or in part to the O'Brien project development plan.

Phase 1

1. A property-scale compilation should be updated, including:
    a. 3D compilation of the remaining historical openings of the old O'Brien Mine
    b. Compilation of historical data (drill holes, channel samples, etc.)

2. 25,000 meters exploration drill program with purpose of:
    a. Targeting the currently identified areas of interests in the PEA
    b. Targeting the discovery of additional zones over the entire project

3. Stakeholder mapping and communication plan

4. Baseline environmental study

5. 3D model and resource estimate update
    a. Including compiled and validated historical drill holes
    b. Future drill holes

According to the results of the updated resource estimate

6. Complete a PEA update

Phase 2 – Contingent upon success of Phase 1

1. 25,000 meters surface exploration and conversion drill program

2. 3D model and resource estimate update

3. Underground development program including a bulk sample to confirm metallurgy and continuity of mineralized zones

Qualified person

*All technical data in relation to the PEA and the resource estimate were extracted from Radisson's press release dated December 15, 2015 and April 20, 2015.

OTHER PROPERTIES IN QUEBEC

Radisson intends to concentrate its efforts on the O'Brien project. It is not planning any work or expenditures on its Lac Gouin SSO, Douay and Estrades properties for the foreseeable future (these three properties are available for option).

PROMOTION

During the first quarter of 2016, the Company took part in the following events:

- March 2016 – PDAC International Trade Show & Investors Exchange
- The President, Mario Bouchard, stepped up meetings with potential investors
- The corporation was an associate producer for the TV show: AT minière: Il était une fois dans l'Ouest québécois.
- The corporation maintained a strong presence on multiple social media platform
- The corporation opened a crowdfunding private placement on innovate platform of Red Cloud Klondike Strike

EQUITY FINANCING

During PDAC, on march 8th 2016, the corporation announced the opening of a crowdfunding private placement with exempt market dealer from Toronto Red Cloud Klondike Strike. The private placement consists of units at a price of $ 0.15. Each Unit consists of one class A share of the share capital of Radisson and one half- share purchase warrant ("**1⁄2** Warrant"). Each full Warrant entitles its holder thereof to purchase one class A share at a price of $0.20 for an 18 months period after closing.

EXPLORATION PROGRAM

On January 29 2016, the Corporation filed the 43-101 technical report relating to the PEA of the O'Brien project. One of the recommendations included in this report was to complete a 25,000 m drill program targeting stopes proposed in PEA mine design, ore shoots included in current mineral resource estimate and exploration targets on the scale of the property.

Hence, during the last trimester of 2015 and first trimester of 2016 the corporation started a 6,200m drill program targeting the extension and potential discovery of ore shoots within current mine resources of the O'Brien project. Up to date, 6 holes totalling 2,773 m were completed. Assays from four first holes were published on April 20 2016. In addition to interesting results obtained in targeted areas, the corporation was surprised to obtain strong results south of targets in Pontiac Group sedimentary rocks. These results include an 12.73 g/t Au intersection over 1.0m (including 23.79 g/t Au over 0.5m) (See Press release of April 20 2016).

STOCK MARKET

The Company's shares have been listed on the stock market under the symbol RDS since 1986. Radisson has met the Tier 2 listing requirements of the TSX Venture Exchange (TSX-V).

SELECTED ANNUAL INFORMATION (IFRS)

Highlights of the last three fiscal years

	Fiscal year ended December 31 (in thousands of dollars except for amounts per share)		
	2015 $	2014 $	2013 $
Total assets	8,908	8,617	7,771
Revenues	-	12	-
Net loss	(556)	(240)	(439)
Net loss per share	(0.007)	(0.003)	(0.006)
Long-term debt	-	-	-

SUMMARY OF QUARTERLY RESULTS
(in thousands of dollars except for amounts per share)

Quarter	Total Income	Net Loss	Basic and Diluted Loss per Share
	$	$	$
June 2014	-	(100)	(0.00)
September 2014	12	(38)	(0.00)
December 2014	-	(51)	(0.00)
March 2015	-	(66)	(0.00)
June 2015	-	(215)	(0.00)
September 2015	-	(164)	(0.00)
December 2015	-	(111)	(0.01)
March 2016	-	42	(0.00)

SUMMARY OF FINANCIAL ACTIVITIES FOR THE QUARTER ENDED MARCH 31, 2016

Because of its area of activities, the Company does not generate regular revenue and must depend on issuing shares and on the interest income generated by its investments to cover its operating expenses. It also ensures its survival by signing option agreements on some of its mining properties.

For the three months ended March 31, 2016, there was no revenue, as was the case for the three months ended March 31, 2015.

For the three months ended March 31, 2016, the Company incurred a loss before taxes of $102,612, compared with a loss of $118,100 for the same period in 2015.

For the three months ended March 31, 2016, the Company incurred Expert and subcontractors expenses of $22,500, compared with expenses of $22,500 for the same period in 2015. In June 2015, the board of directors granted the president an increase from $6,250 monthly fees to $7,500.

For the three months ended March 31, 2016, the Company incurred Stock-based compensation and payments expenses of $7,600, compared with expenses of $13,300 for the same period in 2015. Stock options were granted to a new director (see press release of March 4, 2016).

For the three months ended March 31, 2016, the Company incurred Professionnal fees expenses of $9,000 compared with expenses of $1,057 for the same period in 2015. This increase is related to a annual audit preliminary invoice received during the course of the first trimester compared to 2015 whereas it was during second trimester.

For the three months ended March 31, 2016, the Company incurred Salaries and employee benefits expenses of $17,365 compared with expenses of $16,215 for the same period in 2015.

For the three months ended March 31, 2016, the Company incurred Travelling and promotion expenses of $12,371 compared with expenses of $19,485 for the same period in 2015. The decrease is related to the hiring of Streetwise report in 2015 to increase investor awareness on Social media and the web. During first trimester of 2015, the Company also participated to the Cambridge show of Vancouver. The Company evaluates the possibility to participate to additional tradeshow in 2016.

For the three months ended March 31, 2016, the Company incurred Information to shareholders expenses of $6,481 compared with expenses of $16,889 for the same period in 2015. The increase is related to the investor relations contract awarded to Frontier Merchant Capital group in June 2015. This contract was pre-paid in 2015 and a $15,000 expense was incurred for the current first trimester of 2015.

For the first trimester of 2016, telecommunication expenses were in the order of $4,276 compared to $1,470 in 2015. This increase is related to the production of a corporate video. This video is available on the website of the Company and was used actively on social media and during PDAC.

For the three months ended March 31, 2016, the net loss amounted to ($42,333), compared with $69,763 for the same period in 2015. In addition to the variations in administrative costs already explained above, the Company recorded $144,495 ($41,337 in 2015) as deferred income and mining taxes following the completion of exploration work during the quarter.

Because it is a public company and due to the nature of its operations, Radisson experiences operating losses every quarter.

The Company is continuing to carefully control its expenditures in order to extend its liquid assets while avoiding unnecessary dilution of its outstanding shares. The Company's management continues to prudently manage the funds available for its operating expenses and is maintaining the objective of increasing its cash balance to be able to meet its commitments and maintain the Company's sustainability in the longer term.

LIQUIDITY AND CAPITAL RESOURCES

For the three months ended March 31, 2016, the Company incurred exploration and evaluation expenses of $258,831 compared with expenses of $92,955 for the same period in 2015.

Administration expenses incurred by the company were of $102,612 compared with expenses of $118,000 for the same period in 2015. Main elements to the origin of this variation are explained above.

As at March 31, 2016, the Company had only cash reserved for exploration and evaluation in the amount of $35,519 compared with $122,643 on March 31, 2015.

For the three months ended March 31, 2016, liability related to flow-through shares issuance is of $65,169 and administrative costs to fiscal year-end are estimated at $331,388. The Company is confident that it will close additionnal financings to respect its engagement by the end of year 2016. The company holds 280,000 shares of Balmoral Resources Ltd. (Value of $138,600 on March 31, 2016), selling a portion of this placement could represent a source of financing for the Company to fulfill its engagement.

Warrants in circulation currently represents additional possible financing in the amount of $426,118.

On May 6th 2016, the Company announced the closing of a first tranche of private placement in the amount of $402,510. Under the terms of the offering, the corporation issued 2,683,402 units at a price of $0.15 per units. Each Unit consists of one class A share of the share capital of Radisson and one half- share purchase warrant ("1⁄2 Warrant"). Each full Warrant entitles its holder thereof to purchase one class A share at a price of $0.20 until November 6, 2017. In accordance with Canadian securities laws, the securities issued and issuable in the first tranche of this private placement are subject to a four-month hold period expiring on September 7, 2016. The final closing of this private placement will occur on or before June 6 2016.

The Company's principal source of financing is equity financing, the success of which depends on venture capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, Radisson will need to maintain and improve its relations with the financial community to obtain further equity financing. Outstanding warrants, if exercised, represent potential financing.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Following are the details of royalties on the mineral properties:

- O'Brien: 1 million dollars cash payment in the event of commercial production
- Kewagama: 2% net smelter return (NSR) royalty
- Massicotte: In favour of Radisson, a 2% NSR royalty on the claims that make up the property. Balmoral can purchase the first half of the NSR royalty for a cash payment of $1,000,000 and the second half for an additional cash payment of $2,000,000.
- Lac Gouin SSO: 1% net mineral royalty (NMR) in the event of production. The 1% will be automatically converted into 2% of the proceeds from the sale of the property if Radisson sells the property to a phosphate producer.

Since most of the financing was flow-through in nature, the Company has the obligation to incur exploration and evaluation expenditures in a given time. The following table reflects the expenses to be incurred and the corresponding time.

Date	**Financing**		**Use of proceeds**	**Objectives**
March 27, 2014	Class A shares	$300,000	Assigned to exploration and corporate expenses	
July 14, 2014	Class A shares	$154,440	Assigned to exploration and corporate expenses	
	Flow-through shares	$200,560	Assigned to exploration/drilling on the O'Brien project	Deadline: December 31, 2015
July 18, 2014	Exercise of warrants at $0.10	$10,000	Assigned to exploration and corporate expenses	
October 14, 2014	Class A shares	$130,500	Assigned to working capital	
December 30, 2014	Flow-through shares	$305,000	Assigned to exploration on the O'Brien project	Deadline: December 31, 2015
March 31, 2015	Exercise of warrants at $0.12	$112,500	Assigned to exploration and corporate expenses	
August 13, 2015	Class A shares	$444,400	Assigned to exploration and corporate expenses	
September 21, 2015	Class A shares	$100,00	Assigned to working capital	
September 22, 2015	Exercise of warrants at $0.12	$15,000	Assigned to working capital	
December 31, 2015	Flow-through shares	$324,000	Assigned to exploration on the O'Brien project	Deadline: December 31, 2016

RELATED PARTY TRANSACTIONS AND COMMERCIAL OBJECTIVES

Related party transactions

The remuneration of key executives (president, vice-president, chief financial officer and directors) is:

	Three months ended	
	March 31, 2016	March 31, 2015
	$	$
Salaries including bonuses and benefits	-	5,000
Cost of social security	-	187
Expert and subcontractors	22,500	22,500
Stock-based compensation	7,600	10,600
Total	30,100	38,287

DISCLOSURE CONTROLS AND PROCEDURES

The President and Chief Executive Officer and the Vice-President (Chief of Financial Operations) are responsible for establishing and maintaining the Company's disclosure controls and procedures as defined in Multilateral Instrument 52-109. These controls and procedures were evaluated as at March 31, 2016, and it was concluded that they were adequate and effective.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The President and Chief Executive Officer and the Vice-President (Chief of Financial Operations) are responsible for establishing and maintaining internal controls over the Company's financial reporting as defined in Multilateral Instrument 52 109. For the fiscal year ended March 31, 2016, no changes were made to internal controls over financial reporting that would have materially affected, or would be reasonably considered to materially affect, the Company's controls.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUES

The Company provides information on evaluation and exploration assets in Note 5 to the financial statements for the period ended March 31, 2016. The Company has no research and development expenditures.

The Company has no deferred expenses other than evaluation and exploration assets.

Regarding information in this MD&A on evaluation and exploration assets, Management has concluded that the absence of depreciation during the fiscal year ended March 31, 2016, is adequate.

BASIS OF PRESENTATION AND ADOPTION OF IFRS

These financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were prepared on a going concern basis, under the historical cost basis, except for the financial assets and financial liabilities revaluated at fair value through net profit or loss. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment when applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant in the financial statements are disclosed in Note 2 to the financial statements. The significant accounting policies applied in the preparation of these financial statements are summarized further in this MD&A.

The financial statements do not include draft standards that are still at the exposure draft stage with the International Accounting Standards Board (IASB); and standards published and approved by the IASB, but with an application date beyond December 31, 2015.

SIGNIFICANT ACCOUNTING POLICIES

In accordance with International Financial Reporting Standards (“IFRS”), the Company’s management must make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Significant accounting policies and those that require the most judgment and estimates are:

Critical accounting estimates and judgments

The preparation of financial statements requires Management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are constantly challenged. They are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by Management, and will rarely be identical to the estimated results. The following paragraphs describe Management’s most critical estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and Management’s most critical judgments in applying accounting policies.

Stock-based compensation

The estimation of stock-based compensation costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the expected life of options, the exercise period of these options as well as the expected forfeitures. The valuation model used by the Company is the Black & Scholes model.

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying these liabilities involves judgments and estimates. These judgments are based on a number of factors including the nature of the claims or dispute, the legal procedures and potential amount payable, legal advice received past experience and the probability of a loss being realized. Several of these factors are sources of uncertainty in estimates.

Evaluation and exploration expenditures

The application of the Company’s accounting policy for evaluation and exploration expenditures requires judgment in determining the degree to which the expenditure can be associated with finding specific mineral resources. The estimation process requires varying degrees of uncertainty and these estimates directly impact the deferral of evaluation and exploration expenditures. The deferral policy requires Management to make certain estimates and assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures have been capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written-off in the year when the new information becomes available.

Impairment of evaluation and exploration assets

The Company assesses each cash generating unit annually to determine whether any indication of impairment exists. Management has established its cash generating units as each individual mine site, which is the smallest identifiable group of assets that generate cash flows that are largely independent of cash inflows from other assets or group of assets. When an indicator of impairment exists, since the Company does not have sufficient information about its properties to estimate future cash flows, it test its exploration properties for impairment by comparing the fair value to the carrying amount, without first performing a test of recoverability. Techniques to estimate fair value require the use of estimates and assumptions such as forecasted long-term prices of mineral resources, the ability to obtain the necessary financing to complete exploration and exploration potential. Fair value is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Company was not able to measure the sale of tax deductions using the residual method for certain issuances. Based on this method, the sale of tax deductions is determined as the excess of the price received for flow-through shares over the fair value of common shares at the issue date. Considering the fair value of warrants joined to flow-through shares, the determination of the amount of the premium on the sale of tax deductions resulted in a negative amount for certain issuances. For these issuances, the Company has measured the sale of tax deductions using the relative fair value method of the shares, warrants and the premium on the sale of tax deductions. In this situation, according to Management’s best estimate, the fair value of the premium on the sale of tax deductions has been established at a low incremental price.

Deferred tax liabilities and assets

Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the period for submission of financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that follow from the manner in which the Company expects, at the end of the period for submission of financial information, to recover or settle the carrying amount of its assets and liabilities.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value estimates of investments

Through option agreements on its properties, the Company sometimes receives cash payments and/or shares from the company behind the agreement options. The Company determines the fair value of these shares when the shares are received using the quoted price when the shares are traded in an active market. For shares not traded in an active market, the Company establishes fair value using a valuation technique.

Impairment of assets

The Company assesses each asset group unit periodically to determine whether any indication of impairment exists. When an indicator of impairment exists, an estimate of the recoverable amount is made. These assessments require the use of estimates and assumptions such as long-term commodity prices, future capital requirements, exploration potential and exploration performance. Fair value is determined as the amount that would be obtained from the sale of the asset in transaction between knowledgeable and willing parties in complete freedom. Fair value for mineral assets (mining properties and deferred evaluation and exploration expenses) is generally determined as the undiscounted future cash flows from continuing use of the asset which includes estimates of costs of future expansion and eventual disposal, using assumptions that an independent market participant may take into account. The fair value corresponds to the market price when it is expected that the asset will be sold.

For mineral assets subject to a test of recoverability, management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash inflows are largely independent of those of other assets and liabilities. An impairment loss is recognized when the carrying amount of non-financial asset is not recoverable and exceeds its fair value. The impairment loss is the excess of carrying amount over its fair value.

RISKS RELATED TO EXPLORATION

Mineral exploration involves a high degree of risk. Few properties explored are put into production. Unusual or unexpected rock formations, fires, power outages, labour disputes, floods, explosions, cave-ins, landslides, and problems in obtaining qualified workers and appropriate or adequate machinery or equipment are other risks involved in carrying out exploration programs.

The economics of developing resource properties are affected by many factors, including operating costs, variations in the grade of ore mined, fluctuations in metal markets, processing equipment costs and other factors such as Aboriginal land claims, government regulations, especially regulations relating to royalties, allowable production, importing and exporting natural resources, and environmental protection. Depending on the price of the natural resources produced, the Company can determine that it is not appropriate to begin or continue commercial production. There is no certainty that amounts spent by the Company in exploring its mineral properties will lead to the discovery of commercial quantities of ore. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

ENVIRONMENTAL AND OTHER REGULATIONS

Existing and future environmental legislation, regulations and measures could give rise to additional costs, capital expenditures, restrictions and delays in the Company’s activities that are unpredictable in scope. The requirements of environmental regulations and standards are under constant evaluation and can be increased considerably, which could seriously affect the Company’s business or its ability to develop its properties economically. Before production can begin on a property, the Company must obtain regulatory and environmental approvals; there is no assurance that these approvals will be obtained or can be obtained in a timely manner. The costs of changes in government regulations can also reduce the profitability of operations or completely preclude the economic development of a property.

RISKS RELATED TO FINANCING AND DEVELOPMENT

The development of the Company's properties therefore depends on its ability to obtain the necessary additional financing. There is no assurance that it will be successful in obtaining the required financing. Furthermore, putting resource properties into production depends on obtaining the services of experienced personnel or of coming to agreements with other large resource companies that can provide the expertise.

MARKET FORCES

Factors beyond the Company’s control can influence the marketability of the gold or any other mineral discovered. The price of resources has fluctuated considerably, especially over the past few years. The impact of these factors cannot be accurately predicted.

UNINSURED RISKS

The Company can be held liable for the results of cave-ins, pollution, or other risks against which it cannot or may elect not to insure because of the high cost of premiums or for other reasons. The payment of these liabilities could reduce or eliminate the funds available for exploration and mining activities.

OTHER MD&A REQUIREMENTS

Additional information about the Company is available on SEDAR (www.sedar.com)

NATIONAL INSTRUMENT 51-102

Disclosure, as at May 19, 2016, of data relating to outstanding securities

Variations in capital stock:

Description	Number of outstanding shares	Value $
As at May 19, 2016	91,044,598	13,201,466

Warrants issued

1,709,230 warrants expiring in February 2017 with an exercise price of $0.18

273,477 warrants expiring in February 2017 with an exercise price of $0.13

384,616 warrants expiring in March 2017 with an exercise price of $0.18

1,341,701 warrants expiring in November 2017 with an exercise price of $0.18

170,338 warrants expiring in November 2017 with an exercise price of $0.15

Outstanding options:

Options issued under the stock option plan: 3,360,000

Options granted to directors and officers:

Number of Options	Exercise Price	Expiry Date
500,000	$0.12	June 21, 2016
400,000	$0.10	May 17, 2017
300,000	$0.10	July 4, 2017
100,000	$0.10	January 8, 2018
100,000	$0.10	January 24, 2018
375,000	$0.10	June 12, 2018
460,000	$0.10	June 6, 2019
200,000	$0.10	February 26, 2020
525,000	$0.13	June 5, 2020
100,000	$0.14	March 4, 2021

Mario Bouchard
President and CEO

Donald Lacasse, B.Sc.A.
Vice-President, Chief Financial Officer
and Corporate Secretary

Rouyn-Noranda, Canada
May 19, 2016