



**FIRST QUARTER OF 2017**  
**(March 31, 2017)**

**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 18, 2017, should be read in conjunction with the interim financial statements as at March 31, 2017.

The interim financial statements for the three months ended March 31, 2017 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 four 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 2017, the Fraser Institute ranked Quebec 6th in the world for its attractiveness investment for mining development.

### PROPERTIES IN QUEBEC (AS AT MARCH 31, 2017)

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.Geol., M.Sc. and Alain Carrier, P.Geol., 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<sup>3</sup> 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 4<sup>th</sup>, 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 US\$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)**

<b>Year</b>	<b>Tonnes</b>	<b>Grade (g/t Au)</b>	<b>Au ounces recovered</b>
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
<b>Total</b>	<b>712,521</b>	<b>6.46</b>	<b>135,308</b>

**Base case assumptions and highlights**

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

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Radisson intends to concentrate its efforts on the O'Brien project. With the recovery of precious metals market, the Company is currently evaluating the opportunity of completing exploration work on its Douay and Estrades properties (these properties are available for option).

## **PROMOTION**

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During the first quarter of 2017, the Company took part in the following events:

- January 2017 – Cambridge House International Vancouver Resource investment conference
- March 2017 Pre-PDAC Red Cloud Klondike Strike Mining showcase
- March 2017 – PDAC International Trade Show & Investors Exchange
- The corporation multiplied meetings with potential investors
- The corporation maintained a strong presence on multiple social media platform

## **EQUITY FINANCING**

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On February 13<sup>th</sup>, two financial institutions exercised a total of 273 477 warrants for a total amount of \$ 35,552.

## 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.

To this extent, a total of 10,000 metres of drilling were completed at the O'Brien project in 2016. In 2017, the company established a 20,000 metres drill program focused on resource expansion and exploration targets defined through the property. During the first quarter of 2017, 4,178 metres of drilling were completed. At time of publication, 2 drill-rigs are active at the O'Brien gold project. During the first quarter of 2017, the company also completed compilation and digitization of more than 60 years of historical work at the O'Brien gold project. This compilation allowed the company to establish additional exploration targets throughout the property and build a uniform database towards the completion of a resource estimate at O'Brien in 2017.

## 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)		
	2016	2015	2014
	\$	\$	\$
Total assets	11,868	8,908	8,617
Revenues	6	-	12
Net loss	(396)	(556)	(240)
Net loss per share	(0.004)	(0.007)	(0.003)
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 2015	-	(215)	(0.00)
September 2015	-	(164)	(0.00)
December 2015	-	(111)	(0.00)
March 2016	-	60	(0.00)
June 2016	-	(14)	(0.00)
September 2016	-	68	(0.00)
December 2016	-	(374)	(0.01)
March 2017	1	(20)	(0.00)

## SUMMARY OF FINANCIAL ACTIVITIES FOR THE QUARTER ENDED MARCH 31, 2017

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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, 2017, there was \$1,695 in interest and equipment rent revenue, compared with \$0 for the three months ended March 31, 2016.

For the three months ended March 31, 2017, the Company incurred a loss before taxes of \$140,231, compared with a loss of \$102,612 for the same period in 2016.

For the three months ended March 31, 2017, the Company incurred Expert and subcontractors expenses of \$26,400, compared with expenses of \$22,500 for the same period in 2016.

For the three months ended March 31, 2017, the Company incurred Stock-based compensation and payments expenses of \$5,900, compared with expenses of \$7,600 for the same period in 2016. None Stock options were granted for the first quarter of 2017.

For the three months ended March 31, 2017, the Company incurred Professional fees expenses of \$12,000 compared with expenses of \$9,000 for the same period in 2016. The company expects an increase of about \$6,000 related to annual audit fees. This increase is explained by the increase in exploration and financings activities in 2016.

For the three months ended March 31, 2017, the Company incurred Salaries and employee benefits expenses of \$19,750 compared with expenses of \$17,365 for the same period in 2016.

For the three months ended March 31, 2017, the Company incurred Travelling and promotion expenses of \$32,285 compared with expenses of \$12,371 for the same period in 2016. The increase is related to the participation to the Cambridge VRIC show in Vancouver in 2017. The company also multiplied meetings with potential investors in Canada.

For the three months ended March 31, 2017, the Company incurred Information to shareholders expenses of \$24,538 compared with expenses of \$6,481 for the same period in 2016. The increase is related to a contract signed with Red Cloud Klondike Strike during first quarter of 2017 to organize several meetings with institutional, brokers and high-net worth investors in Canada.

For the first trimester of 2017, telecommunication expenses were in the order of \$253 compared to \$4,726 in 2016. The decrease is related to the production of a corporate video in 2016.

For the three months ended March 31, 2017, the net loss amounted to \$33,402, compared with (\$42,333) for the same period in 2016. In addition to the variations in administrative costs already explained above, the Company recorded \$106,829 (\$144,495 in 2016) 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

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For the three months ended March 31, 2017, the Company incurred exploration and evaluation expenses of \$427,317 compared with expenses of \$258,831 for the same period in 2016.

Administration expenses incurred by the company were of \$141,926 compared with expenses of \$102,612 for the same period in 2016. Main elements to the origin of this variation are explained above.

As at March 31, 2017, the Company had cash and cash equivalent in the amount of \$113,126 compared to \$0 for the same period in 2016. The company also holds only cash reserved for exploration and evaluation in the amount of \$1,165,987 compared with \$35,519 on March 31, 2016.

For the three months ended March 31, 2017, liability related to flow-through shares issuance is of \$902,249 and administrative costs to fiscal year-end are estimated at \$400,000. The Company is confident that it will close additional financings to respect its engagement by the end of year 2017. The company holds 260,000 shares of Balmoral Resources Ltd. (Value of \$200,200 on

March 31, 2017), 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 \$1,010,656.

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 31, 2015	Exercise of warrants at \$0.12	\$112,500	Assigned to exploration and corporate expenses	
August 13, 2015	Hard cash	\$444,400	Assigned to exploration and corporate expenses	
September 21, 2015	Hard cash	\$100,000	Assigned to working capital	
August 30, 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
May 6, 2016	Hard cash	\$402,510	Assigned to exploration on the O'Brien project and to working capital	
June 6, 2016	Hard cash	\$272,500	Assigned to exploration on the O'Brien project and to working capital	
August 11, 2016	Hard cash Flow-through shares	\$405,000 \$595,000	Assigned to working capital Assigned to exploration on the O'Brien project	Deadline: December 31, 2017
September 22, 2016	Hard cash Flow-through shares	\$90,000 \$1,500,000	Assigned to working capital Assigned to exploration on the O'Brien project	Deadline: December 31, 2017
December 15, 2016	Exercise of warrants at \$0.18	\$69,203	Assigned to working capital	
February 13, 2017	Exercise of warrants at \$0.13	\$35,552	Assigned to working capital	



## RELATED PARTY TRANSACTIONS AND COMMERCIAL OBJECTIVES

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### Related party transactions

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

	Three months ended	
	March 31, 2017	March 31, 2016
	\$	\$
Salaries including bonuses and benefits	-	-
Cost of social security	-	-
Expert and subcontractors	24,000	22,500
Expert and subcontractors included in exploration and evaluation expenses	3,000	-
Other exploration and evaluation expenses	2,002	-
Stock-based compensation	5,900	7,600
Total	34,902	30,100

## DISCLOSURE CONTROLS AND PROCEDURES

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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, 2017, and it was concluded that they were adequate and effective.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

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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, 2017, 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

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The Company provides information on evaluation and exploration assets in Note 5 to the financial statements for the period ended March 31, 2017. 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, 2017, is adequate.

## BASIS OF PRESENTATION AND ADOPTION OF IFRS

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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, 2016.

## SIGNIFICANT ACCOUNTING POLICIES

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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)

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### 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

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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

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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

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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

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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

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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

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Additional information about the Company is available on SEDAR ([www.sedar.com](http://www.sedar.com))

## NATIONAL INSTRUMENT 51-102

Disclosure, as at May 18, 2017, of data relating to outstanding securities

### Variations in capital stock:

<u>Description</u>	<u>Number of outstanding shares</u>	<u>Value \$</u>
As at May 18, 2017	107,594,357	17,183,097

### Warrants issued

1,341,701 warrant expiring in November 2017 with an exercise price of \$0.20  
170,338 warrant expiring in November 2017 with an exercise price of \$0.15  
908,333 warrant expiring in December 2017 with an exercise price of \$0.20  
144,667 warrant expiring in December 2017 with an exercise price of \$0.15  
1,350,000 warrant expiring in February 2018 with an exercise price of \$0.20  
350,000 warrant expiring in February 2018 with an exercise price of \$0.20  
300,000 warrant expiring in March 2018 with an exercise price of \$0.20  
567,000 warrant expiring in March 2018 with an exercise price of \$0.20

### Outstanding options:

Options issued under the stock option plan: 2,145,000

Options granted to directors and officers:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
300,000	\$0.10	July 4, 2017
100,000	\$0.10	January 24, 2018
300,000	\$0.10	June 12, 2018
325,000	\$0.10	June 6, 2019
375,000	\$0.13	June 5, 2020
100,000	\$0.14	March 4, 2021
570,000	\$0.14	June 3, 2021
75,000	\$0.14	March 22, 2022



Mario Bouchard  
President and CEO

Rouyn-Noranda, Canada  
May 18, 2017



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