

**ROMIOS GOLD RESOURCES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the nine months ended March 31, 2017**

# **ROMIOS GOLD RESOURCES INC.**

## **Management's Discussion and Analysis – March 31, 2017 As of May 29, 2017**

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Romios Gold Resources Inc. ("Romios" or the "Company") constitutes management's review of the factors that affected the Company's condensed interim consolidated financial and operating performance for the nine months ended March 31, 2017. The MD&A was prepared as of May 29, 2017 and should be read in conjunction with the unaudited condensed interim consolidated financial statements ("Financial Statements") of the Company for the three and nine months ended March 31, 2017 and audited consolidated financial statements of the Company for the year ended June 30, 2016, including the notes thereto. Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. These Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as described in Note 2 to the Financial Statements.

### **Executive Summary**

Romios is a Canadian mineral exploration company with a primary focus on gold, copper and silver. Its projects are located in British Columbia, Ontario, Quebec, and Nevada. Exploration and evaluation costs during the nine months ended March 31, 2017 were \$497,099, almost all incurred on the September drill program carried out at the Lundmark-Akow Lake property.

The additional prospecting and sampling carried out at Burgundy Ridge, BC, in August 2015 corroborates the high grade nature of the copper-gold-silver mineralization encountered in previous work on the property and adds credence to management's belief that the mineralization extends beneath the snowfields encircling the approximate 400 metres of mineralized surface exposure. In addition, the sampling enlarged the area underlain by high grade mineralization outlined by the sampling carried out during the summers of 2013 and 2014.

The September drilling program on the Lundmark-Akow Lake property in Ontario followed up on earlier drill results and the recent airborne geophysical survey over an area of widespread gold mineralization. Three of the four holes expanded the strike length of the mineralized zone to 1500 metres from the previously indicated 900 metres and to a depth of about 120 metres beyond that outlined in earlier drilling. With the information from the three holes, a new geological model about the origin of the mineralization and the controls on its location has developed and identified a significant electromagnetic conductor a few hundred metres to the west. This is considered a high-priority target for follow-up, and is planned to be drill-tested as soon as possible.

The evaluation of the Timmins-Hislop Property indicates four parallel gold-bearing zones which transect the property and extend to the neighbouring properties.

The Company raised \$575,000 in proceeds from the non-brokered private placements which closed on June 9, July 28 and September 21, 2016, for funding the drill program at the Lundmark-Akow Lake property and for working capital purposes. The Company had a cash balance of \$177,000 at May 29, 2017 and believes that it will be able to raise additional funds at the appropriate time to finance future exploration and evaluation programs. Discussions on financing are ongoing.

### **Mineral Exploration Properties**

#### **British Columbia**

##### **Golden Triangle Area Properties**

The Company's total land position in the Golden Triangle Area is approximately 76,000 hectares (188,000 acres). The acquisition cost of the properties was \$4.2 million, with the exploration and evaluation cost over the years totalling \$20.4 million.

Exploration activity in the Golden Triangle is generally restricted to the summer months, after the snow and ice cap recedes. This year there has not been an exploration program on the properties, but a summary of the past work on the properties and the evaluation of the findings follow.

The principal mineral claims in the Golden Triangle area of northwestern British Columbia include Trek and Newmont Lake, which includes zones known as Burgundy Ridge, Northwest, Telena, '72, Ken, Argent and Andrei. In addition to a NI 43-101 Inferred Resource of 1.4 million tonnes @ 4.4 g/t Au, 0.22%Cu and 6.4 g/t Ag within the Northwest Zone, there are a number of mineralized showings on each of these properties being explored by the Company.

Northwestern British Columbia hosts a number of significant copper-gold porphyry and VMS gold deposits as well as polymetallic massive sulphide occurrences. The Federal and British Columbia governments have funded the Northwest Transmission Line bringing the electrical power grid close to the Newmont Lake Project area.

Access to the provincial power grid will facilitate the construction of infrastructure and help expedite project development. The 195 megawatt Forest Kerr run-of-river hydroelectric facility is within 20 kilometres of the Newmont Lake property, has been operating since 2015, and was followed by the Volcano Creek and the 66 megawatt McLymont Creek facility in December, 2015. All three facilities are connected to the power grid. The Tahltan First Nation is credited with having played a key role in the success of the projects.

### **Burgundy Ridge**

In August 2013, a prospecting, sampling and mapping program was carried out over several new zones within the southern portion of the Newmont Lake Project area. Higher summer temperatures reduced the snowpack, and in the Burgundy Ridge Zone exposed a 300 metre-long by 225 metre-wide area and a cliff face extending to over 50 metres high. The total relief of the exposed mineralization extends over 150 metres in elevation, and both the assay and geologic mapping strongly support a continuation of the mineralization to the north, west, and south.

In September 2013, Geotech Ltd. completed a 372 line kilometre helicopter-borne Z-Axis Tipper Electromagnetic ("ZTEM") and Aeromagnetic Geophysical Survey along lines oriented east-west and spaced 300 metres apart. This covered an area that encompassed the Northwest Zone, Telena Zone, Ken Zone, '72 Zone and the recently discovered Burgundy Ridge Zone, an area of significant widespread copper-gold-silver mineralization exposed over a 400 metre-long by 225 metre-wide area.

More than seventeen discrete magnetic anomalies were outlined in the survey, of which nine are yet to be explained geologically, representing good exploration targets.

Based on a geophysical target model for alkaline porphyry mineral deposits and related skarn-type occurrences, at least fourteen favourable resistivity and magnetic high priority exploration targets have been identified.

During the 2014 summer exploration program, contiguous chip samples of rock, each 1.5 metres in length, were collected along a number of lines oriented essentially northwest-southeast. The location of the sample lines was based on the favourable results obtained in the 2013 sampling program and the proximity to the skarn contact between the intrusive porphyries and the reactive dolostone and limestone/marbles. In total 314 rock chip samples were collected in the sampling program of which 173 were applicable to Burgundy Ridge. In the northeast corner of the zone, a line of 30 contiguous samples, 45 metres in length, averaged 0.30% copper, 0.07g/t gold and 3.19 g/t silver. A further 24 metre line of samples, approximately 65 metres to the southwest, averaged 0.72% copper, 0.12 g/t gold and 5.17 g/t silver. 130 metres to the southwest, a 6 metre line of samples averaged 2.27% copper, 12.14g/t gold and 48.77g/t silver. Approximately 50 metres further southwest, two lines of samples, one 22.5 metres in length and the other, 18 metres in length averaged 0.48% copper, 0.18 g/t gold, 2.55 g/t silver and 0.59% copper, 0.33 g/t gold, 4.93 g/t silver respectively. In the southeast corner of Burgundy Ridge, eight contiguous samples collected along a 12 metre long line averaged 0.43% copper, 0.38 g/t gold and 18.67 g/t silver. Higher grade zones

of mineralization occur within or adjacent to the sample lines, the most notable of which is a 3.0 metre long rock chip sample that assayed 5.12% copper, 28.49 g/t gold and 89.65 g/t silver. This sample included 1.5 metres that assayed 9.11% copper, 51.2 g/t gold and 171.0 g/t silver. In the far northwest corner of Burgundy Ridge, a contiguous line of samples 9.0 metres in length averaged 0.87% copper, 0.12 g/t gold and 7.97 g/t silver.

Basic ground exploration of areas to the northeast and west of Burgundy Ridge resulted in the discovery of several zones of porphyry-related copper and gold-bearing skarns similar to those sampled at Burgundy Ridge. A number of grab samples from a zone referred to as the Baxter Zone located 1,800 metres west of Burgundy Ridge assayed as high as 4.07% in copper. Chip samples on the Baxter Zone over 1.5 metres and 0.3 metres assayed 1.47% copper, 0.27 g/t gold and 4.17% copper, 2.96 g/t gold respectively. At the Telena Zone, located 850 metres northeast of Burgundy Ridge and the subject of earlier exploration by Romios, porphyritic syenite dykes and other potassic porphyritic dykes were identified and sampled. Of particular note, a 10.5 metre "chip-line" sample averaged 1.17% copper and 0.384 g/t gold.

The August 2015 prospecting and sampling carried out at Burgundy Ridge identified several new areas of copper-gold-silver mineralization newly exposed by a continually receding snowfield. Prospecting and systematic continuous rock-chip sampling in this new exposure delineated a 6.0 metre wide zone still covered by snow along strike that assays a weighted average of 2.38% copper, 2.20 g/t gold, 44.80 g/t silver, and 6.73% zinc, the details of which are outlined in the following table:

SAMPLE ID	SAMPLE TYPE	LENGTH (M)	Cu %	Au ( g/t)	Ag ( g/t)	Zn %
1430507	ROCK-CHIP	2.0	2.46	2.99	54.80	7.27
1430508	ROCK-CHIP	2.0	2.93	2.30	54.30	9.42
1430509	ROCK-CHIP	2.0	1.76	1.32	25.30	3.51
<b>WEIGHTED AVERAGE</b>		<b>6.0 METRES</b>	<b>2.38</b>	<b>2.20</b>	<b>44.80</b>	<b>6.73</b>

Other results from the 2015 sampling program include a 4.0 metre long continuous rock-chip sample that assayed 0.47% copper, 0.41 g/t gold, 8.31 g/t silver and 0.44 % zinc. In addition, a 2.0 metre rock-chip sample assayed 0.51% copper, 0.56 g/t gold, 8.67 g/t silver and 0.50% zinc; and a further 2.0 metre rock-chip sample assayed 0.51% copper, 0.55 g/t gold, 9.50 g/t silver and 0.64 % zinc and a 1.0 metre rock- chip sample assayed 1.59% copper, 1.29 g/t gold, 32.9 g/t Ag and 1.51% zinc. Two representative grab samples were collected. The first assayed 1.01% copper, 0.16 g/t gold, 2.96 g/t Ag, and 2.07% zinc and the second, 0.26 % copper, 0.10 g/t gold, 1.03 g/t silver, and 0.33% zinc. Sample identification and the details of the analyses are outlined in the following table:

SAMPLE ID	SAMPLE TYPE	LENGTH (M)	Cu %	Au ( g/t)	Ag ( g/t)	Zn %
1430574	GRAB	-	0.26	0.10	1.03	0.33
1430575	ROCK-CHIP	4.0	0.47	0.41	8.31	0.44
1430576	ROCK-CHIP	2.0	0.51	0.56	8.67	0.50
1430504	GRAB	-	1.01	0.16	2.96	2.07
1430505	ROCK-CHIP	2.0	0.51	0.55	9.50	0.64
1430506	ROCK-CHIP	1.0	1.59	1.29	32.90	1.51

A map identifying the location of the samples collected during the summers of 2013-2015 at Burgundy Ridge is on the Company's website at <http://www.romios.com/s/BurgundyPhotos.asp>.

The high-grade mineralization at Burgundy Ridge occurs within breccias and intrusive dykes that are structurally located along the margin of a large dolomitic limestone body which has been intruded by a variety of porphyries. The contact hosts semi-massive pods of copper-gold-silver-zinc mineralization that exhibit an affinity for an epidote-garnet skarn zone. The high-grade core of the system is centered in a lower-grade envelope of disseminated copper-gold mineralization hosted in-part by dolomitic limestones, mega-crystalline syenite porphyry, syenite porphyry and diorite porphyry.

The additional prospecting and sampling carried out at Burgundy Ridge corroborates the high grade nature of the copper-gold-silver mineralization encountered in previous work on the property and adds credence to management's belief that the mineralization extends beneath the snowfields encircling the approximate 400 metres of mineralized surface exposure. In addition, the sampling enlarged the area underlain by high grade mineralization outlined by the sampling carried out during the summers of 2013 and 2014 at Burgundy Ridge.

### **Argent Showing**

In 2013, the field crew visiting the Argent Showing in the southeast portion of the Newmont Lake area located two veins within the southeast portion of the property which were found to contain anomalous values in silver and copper. Nine rock grab samples collected over a 10 metre long exposure of these veins returned assays greater than 31 grams of silver per tonne and significant copper values. The three highest grade samples assayed 840 g/t Ag, 1.25 % Cu; 917 g/t Ag, 1.69 % Cu, 0.15 g/t Au; and 1450 g/t Ag, 2.76 % Cu, and 0.22 g/t Au.

Two veins located approximately 300 metres further north, along the eastern side of the Argent Showing also contain elevated silver and copper. Grab samples from outcrops of these veins assayed 1.9 g/t Ag, 0.39% Cu; and 1.6 g/t Ag, 0.24% Cu. A sample from an exposed quartz vein located in the northwest portion of the property assayed 11.8 g/t Au and 2.8 g/t Ag.

While these assays may not be representative of the entire Argent Showing, they do confirm the strongly mineralized nature of the showing, which appears similar to the vein and shear-hosted mineralization styles of the historic Johnny Mountain and Snip Gold deposits located approximately 15 kilometres to the southwest. Johnny Mountain produced approximately 220,000 tonnes grading 18.7 g/t Ag, 12.4 g/t Au, and 0.5% Cu. Barrick Gold mined the Snip Gold deposit and reported nearly 1 million tonnes grading approximately 31 g/t Au.

### **Metallurgical Testing**

In 2013, scandium drill core samples from the Ken Zone of the Newmont Lake Project area were submitted to SGS Minerals Services for scoping level mineralogical testing and beneficiation and metallurgical recovery testing. Beneficiation tests did not indicate satisfactory recoveries. Different recovery methods on whole ore were tried, with an acid leach-bake test indicating 70% recovery, but with high acid usage. Further testing has been recommended, and as the samples were from only a small number of drill holes, testing on additional drill intersections is also warranted.

## **Ontario**

### **Lundmark-Akow Lake**

The Lundmark-Akow Lake property is located in the centre of the North Caribou Lake greenstone belt in northwestern Ontario, approximately 18 km (11.2 miles) NNW of Goldcorp's Musselwhite gold mine. Exploration and drilling in earlier years identified evidence of widespread gold mineralization and a zone of copper mineralization believed to reflect a more massive sulphide occurrence. In December, 2015 the Company entered into a Memorandum of Understanding with the North Caribou Lake First Nations Community to establish a mutually beneficial and cooperative relationship during the exploration stage of the property. Discussions are ongoing regarding an extension of the Memorandum.

An airborne VTEM geophysical survey of 262 line kilometres provided data for a more precise positioning of drill holes to reach potentially significant deeper conductors. Geophysical modelling suggested that previous drill holes were not drilled deep enough to have intersected the anomalies identified at depth. The Ontario Prospectors Association, sponsored by the Northern Ontario Heritage Fund, agreed to provide financial assistance under the Junior Exploration Assistance Program of \$97,824 of the Project Eligible Costs incurred on the drill program at Akow Lake in September-October 2016.

Three holes were drilled into the mineralized trend and one hole tested a nearby geophysical target (which proved to be barren). Results of the three holes in the mineralized trend returned copper and gold values similar to the 1998-1999 drilling, typically about 10 metres grading about 0.2% copper and 0.1 gram per tonne gold. Smaller

parallel zones were commonly present. The holes were spaced over a length of 1.5 km and intersected the mineralization at depths of 120 and 350 metres below surface.

Although the grade of the mineralization encountered was not significantly better than the past drill results, the 2016 drill holes provided a better look at the overall geology and resulted in a completely new geological model about the origin of the mineralization, the controls on its location, and ideas about the best area to target next. In brief, the copper-(gold) zone that has been the focus of past drilling is now believed to be an alteration zone where high-temperature fluids passed through before reaching the ancient sea-floor and potentially depositing an unknown amount of copper, lead, zinc and perhaps gold. This geological model is similar to the old Mattabi mine at Sturgeon Lake.

As a result of this new thinking, the target has shifted away from the known mineralized trend, which is essentially just an alteration pathway, to geophysical targets off to the side of this trend that may represent a large accumulation of sulphide minerals. Past geophysical surveys conducted by Romios have identified one significant electromagnetic conductor a few hundred metres to the west of the alteration pathway at Atim Lake North. This conductor is approximately 1.5 km long and 300m wide and is considered a high-priority target for follow-up.

A 500 metre drill-hole program is proposed to test the Atim Lake North geophysical target. The drill to be used is still on the property and would be flown to the drill site by helicopter.

If this drilling intersects indications of economic mineralization, further drilling would then be considered.

An application has been submitted to the Ontario Ministry of Northern Development and Mines for an Exploration Permit to continue the work at Akow Lake, and a new Memorandum of Understanding has been agreed with the North Caribou Lake First Nation Community regarding the proposed drilling. The Exploration Permit is expected to be granted in June, 2017. Preliminary discussions are ongoing regarding the financing of the program.

### **Timmins-Hislop**

The Timmins-Hislop Property is located on the southwestern edge of the Porcupine-Destor Fault and is surrounded by a number of significant gold occurrences and deposits, including the St. Andrew Goldfields Ltd.'s Hislop mine, and within 400 metres of Brigus Gold Corp.'s "Contact Zone". No new work has been done on the property this year.

Visible gold was encountered in three of the four holes drilled on the Property in September, 2012.

The most notable gold mineralization was in drill hole R12-001 which intersected a 3.8 metre (12.46 feet) interval that averaged 9.0 g/t gold. A higher grade zone within this interval assayed 23.5 g/t gold over 0.80 metres (2.62 feet). In drill hole R12-003, an interval of 1.3 metres (4.26 feet) was intersected that averaged 21.4 g/t gold. Deeper in the hole, a second interval of 4.7 metres (15.42 feet) assayed 2.7 g/t gold.

On July 15, 2013 the Company reported on its review of all available previous exploration work carried out on the Property including 12 exploratory drill holes completed by Chevron in 1988. This review included re-logging and re-assaying the drill core, including previously un-assayed core, with the results of this work computerized and analyzed in detail. As previously reported, gold was encountered in most of the Chevron holes, the most notable being hole C-88-202 which intersected a zone 0.72 metre (2.36 feet) wide that assayed 12.12 g/t gold. Re-sampling the core in other drill holes identified a 1.0 metre (3.28 feet) wide zone in hole C-88-204 that assayed 2.6 g/t gold as well as a 1.0 metre (3.28 feet) wide zone in hole C-88-232 that assayed 4.51 g/t gold.

As a result of the comprehensive review of the results of exploration on the property, four potential, parallel gold-bearing zones transecting the Property with an azimuth of approximately 290 degrees were identified. This attitude is consistent with the orientation of several neighbouring gold zones south and southeast of the property. The property is approximately 65 hectares, is strategically located with regard to the neighbouring gold zones and is ready for drilling.

## **Nevada**

Romios' Scossa Gold property is located 6 miles from the Rosebud Mine and 8 miles from the Hycroft Mine in northwestern Nevada. The property operated as a high grade, underground gold mine in the 1930s and encompasses a number of gold-bearing veins. Thirty historical drill holes were completed to test a number of gold-bearing epithermal quartz breccia veins and gold was found in every hole. There has been no current activity, but additional drilling and exploration is justified to advance this prospect.

## **Quebec**

The La Corne molybdenum, bismuth and lithium property is located in northwestern Quebec approximately 30 kilometres from the city of Val d'Or. It previously produced 3.8 million tons of ore grading 0.33% MoS<sub>2</sub> and 0.04% bismuth. Romios completed two drilling programs on the property by 2010. The Company also conducted a program to sample and evaluate the tailings on the property for possible reprocessing and intends to evaluate the bulk tonnage potential of the property. In December 2013, consultants completed a property survey of the 2008 drill core, testing the core for resistivity, chargeability and magnetism. A more detailed review of the data has been recommended, but induced polarization and resistivity is considered a favourable exploration method in this area.

## **Outlook**

The Company's primary focus remains the systematic exploration of its properties in the Golden Triangle Area of northwestern British Columbia. Since the summer of 2008 Romios has carried out extensive exploration programs in BC with considerable success.

The additional prospecting and sampling carried out at Burgundy Ridge in August 2015 corroborates the high grade nature of the copper-gold-silver mineralization encountered in previous work on the property and adds credence to management's belief that the mineralization extends beneath the snowfields encircling the approximate 400 metres of mineralized surface exposure. In addition, the sampling enlarged the area underlain by high grade mineralization outlined by the sampling carried out during the summers of 2013 and 2014. More work is proposed on this property.

The Company has also continued to advance the highly prospective Lundmark-Akow Lake project in northwestern Ontario. As discussed earlier in this MD&A, a 500 metre drill program is proposed to test the Atim Lake North geophysical target. If this drilling intersects indications of economic mineralization, further drilling would then be considered.

Romios completed private placements of flow-through units and working capital units for gross proceeds of \$575,000 in 2016 and will continue to pursue financing opportunities, including joint ventures and strategic alliances. Management anticipates that it will be able to raise additional funds to continue its exploration and evaluation programs. Discussions on financing are ongoing.

## **Results of Operations**

Exploration expenses incurred during the three months ended March 31, 2017, totalled \$11,675 compared to \$8,648 for the same period in 2016, with expenditures for 2016 in the Golden Triangle area of B.C. Exploration expenses incurred during the nine months ended March 31, 2017 were \$497,099 compared to \$49,508 for the same period in 2016. Nearly all expenditures this year were on the Lundmark-Akow Lake property in Ontario. The Ontario Prospectors Association, sponsored by the Northern Ontario Heritage Fund, provided financial assistance under the Junior Exploration Assistance Program of \$97,824.

General and administrative expenses for the three months ended March 31, 2017 were \$134,399 compared to \$92,765 for the same period in 2016; the difference was caused by \$23,846 in non-cash, share-based compensation for options issued during the period compared to \$nil in 2016 and an increase in shareholder communications to \$34,900 (2016 - \$25,621).

The Company's net loss and comprehensive loss, including the amount spent on exploration, for the three months ended March 31, 2017 was \$47,929 compared to \$100,723 in 2016, decreased by the refund received from Ontario of \$97,824.

General and administrative expenses for the nine months ended March 31, 2017 were \$415,661 compared to \$298,943 for the same period in 2016; the main difference being the non-cash share-based compensation recorded in 2017 of \$120,975 compared to nil in 2016. A decrease of \$30,000 in office and general costs offset an increase of \$26,000 in shareholder relations costs in the US.

The Company's net loss and comprehensive loss, including the net amount spent on exploration, for the nine months ended March 31, 2017 was \$813,383 compared to \$345,934 in 2016.

### Selected Quarterly Information

<b>2016 - 2017</b>	<b>Mar 31, 2017</b>	<b>Dec 31, 2016</b>	<b>Sep 30, 2016</b>	<b>Jun 30, 2016</b>
	\$	\$	\$	\$
Net (loss) and comprehensive (loss)	(47,929)	(276,209)	(489,245)	(152,539)
Net loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	4,550,150	4,530,484	4,969,056	4,944,551

<b>2015 - 2016</b>	<b>Mar 31, 2016</b>	<b>Dec 31, 2015</b>	<b>Sep 30, 2015</b>	<b>June 30, 2015</b>
	\$	\$	\$	\$
Net (loss) and comprehensive (loss)	(100,723)	(119,162)	(126,051)	(84,911)
Net loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	4,605,242	4,658,188	4,774,082	4,864,137

### Capital Resources and Liquidity

On June 9, 2016, the Company completed the first tranche of a non-brokered private placement with the sale of 2,900,000 flow-through units ("FT Units") at \$0.07 per FT Unit for gross proceeds of \$203,000.

Each FT Unit was priced at \$0.07 and consisted of one common share and one-half of one share purchase warrant entitling the holder to purchase one common share (a "Warrant Share") at a price of \$0.15 per Warrant Share until the earlier of: one year from the closing date; and in the event that the closing price of the Common Shares on the TSX Venture Exchange is at least \$0.20 for twenty consecutive trading days, and the 20th trading day is at least four months from the Closing Date, the date which is thirty days from the final trading day.

The Company paid cash finder's fees of \$4,900 and issued 70,000 broker warrants ("Broker Warrants") in respect of the first closing. Each Broker Warrant entitles the holder to acquire a common share, priced at \$0.07 until June 9, 2017.

On July 28, 2016 the Company closed the second tranche of the private placement by issuing 1,128,572 FT Units for proceeds of \$79,000 as well as 2,887,917 working capital units ("WC Units") for \$172,675. The WC Units were priced at \$0.06 and comprise one share and one warrant entitling the holder to purchase one share for one year at a price of \$0.12 per share, subject to an earlier trigger date as set out for the FT Units above. On September 21, 2016 an additional \$120,000 was raised on the sale of 2 million working capital units.

The Company paid cash finder's fees of \$1,344 and issued 22,400 Broker Warrants in respect of the July closing. Each Broker Warrant entitles the holder to acquire a common share, priced at \$0.07 until July 27, 2017.



The proceeds of the June to September financings totaled \$575,000 designated for the September drill program on the Lundmark-Akow Lake claims in northwestern Ontario and for working capital purposes.

At March 31, 2017, the Company had a working capital deficiency of \$143,788, after providing \$367,215 for amounts due to related parties, compared to working capital of \$196,700 as at June 30, 2016, after providing \$239,919 due to related parties and a deficiency of \$156,000 at May 29, 2017 on the same basis. As the Company has no operating revenue, costs are being funded with equity based private placements. The Company's estimated monthly cash costs over the balance of calendar 2017, excluding any exploration costs, are projected to average \$15,000 per month. The Company believes that it has enough financial resources to operate for the next twelve months. Additional funding will be required to continue to pursue the exploration and evaluation of its properties. The Company's ability to meet its obligations and continue as a going concern continues to be dependent on the ability to identify and complete financing opportunities. While the Company has been successful in raising equity capital to date, there can be no assurance that it will be able to do so in the future.

### Common Shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares.

	<i>Number</i> #	<i>Amount</i> \$
Balance, June 30, 2015	158,362,001	30,871,993
Flow-through units issued June 2016, net	2,900,000	121,880
Share issue costs	-	(8,290)
Balance, June 30, 2016	161,262,001	30,985,583
Flow-through units issued July 2016, net	1,128,572	69,298
Working capital units issued July 2016, net	2,877,917	95,258
Working capital units issued September 2016, net	2,000,000	79,121
Share issue costs	-	(4,754)
Balance, March 31, 2017	167,268,490	31,224,506

The proceeds of the sale of units shown above are net of the valuation of warrants issued; \$81,120 in June 2016 and \$127,997 in the quarter ended September 30, 2016, which are shown separately in Shareholders' equity.

### Common share purchase options

The Company has a stock option plan (the "Plan") for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at March 31, 2017, 12,250,000 common shares were reserved for the exercise of stock options granted under the Plan.

The following table provides the details of changes in the number of issued common share purchase options during the period and the exercise prices:

	<b>Options</b> #	<b>Weighted-average</b> <b>exercise price</b> \$
Outstanding at June 30, 2015	8,950,000	0.13
Granted	2,800,000	0.10
Expired	(500,000)	0.15
Outstanding at June 30, 2016	11,250,000	0.13
Granted	1,000,000	US\$ 0.20
Outstanding at March 31, 2017	12,250,000	0.14
Options exercisable at March 31, 2017	10,350,000	0.13

On April 20, 2016 2,800,000 share purchase options were granted to acquire common shares of the Company at \$0.10 per share for five years.

On June 30, 2016, 250,000 options at an exercise price of \$0.10 per share and 250,000 options at an exercise price of \$0.20 per share expired, unexercised.

On July 12, 2016 1,000,000 share purchase options were granted to an investor relations consultant to acquire common shares of the Company at US\$0.20 per share for five years.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
2,650,000	2,650,000	2.4 months	\$0.20	June 12, 2017
250,000	250,000	12.3 months	\$0.10	April 9, 2018
5,350,000	5,350,000	25.2 months	\$0.10	May 5, 2019
200,000	200,000	27 months	\$0.10	June 30, 2019
2,800,000	1,400,000	48.7 months	\$0.10	April 20, 2021
1,000,000	500,000	51.4 months	US\$0.20	July 12, 2021
<b>12,250,000</b>	<b>10,350,000</b>			

### Outstanding common share purchase warrants

On the private placement financings of units in 2016, in addition to the issuance of common shares, the units included warrants entitling the holder to acquire additional common shares of the Company. The Company also granted warrants as consideration for services associated with the placement of the units.

The following table provides the details of changes in the number of outstanding common share purchase warrants and their exercise price:

	<b>Number</b> #	<b>Price Range</b> \$
Balance June 30, 2015	Nil	-
Private placement warrants issued	1,520,000	0.07 to 0.15
Balance June 30, 2016	1,520,000	
Private placement warrants issued	5,464,603	0.06 to 0.17
Balance March 31, 2017	6,984,603	

The number of common shares outstanding on March 31, 2017 was 167,268,490. Taking into account outstanding share purchase options, warrants and 1,000,000 shares reserved for property transactions, the fully diluted common shares that could have been outstanding on March 31, 2017 and May 29, 2017 was 187,503,093.

### Related Party Transactions

During the three months ended March 31, 2017, the Company incurred related party expenses of \$47,490 (2016 – \$42,938) and \$144,915 for the nine months ended March 31, 2017 (2016 - \$141,629). These expenses related to salary and consulting fees paid or payable to the Company's key senior officers, Tom Drivas, President and Chief Executive Officer, Frank van de Water, Secretary and Chief Financial Officer, and Michael D'Amico, Chief Financial Officer until December 31, 2015. As at March 31, 2017, \$312,644 (2016 - \$163,376) was due to these related parties. Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the period ended March 31, 2017 and 2016.

Share based compensation to key management and directors for the three months ended March 31, 2017 was \$10,890 (2016 - \$nil) and for the nine months ended March 31, 2017 was \$33,153 (2016 - \$nil).

During the nine months ended March 31, 2017 the company incurred expenses of \$20,294 (2016 - \$1,565) for legal fees to a law firm related to a Director of the Company, William R. Johnstone. At March 31, 2017, \$486 (2016 - \$1,755) was outstanding.

During the three months ended March 31, 2017, the Company incurred expenses of \$3,000 (2016 - \$3,000) and \$12,500 for the nine months ended March 31, 2017 (2016 - \$11,500) related to directors' fees to independent directors. At March 31, 2017, \$48,000 (2016 - \$31,500) was payable.

These amounts were expensed in the period incurred as administrative and general expenses. Expenses and amounts paid and owing are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### **Contingencies and commitments**

As at March 31, 2017:

- a) the Company has a lease commitment to January 31, 2020 for its principle office location estimated to total \$48,510 and
- b) the Company has \$44,219 on deposit as property reclamation bonds with various governmental agencies. These amounts are included with prepaid expenses.

### **Subsequent events**

On April 8, 2017 the Company received \$10,960 with respect to a BC Mining Exploration Tax Credit. This amount will be recorded as a reduction of exploration expenses in April 2017.

### **Carrying value of mining and exploration properties**

The Company regularly reviews the carrying value of its properties for impairment to determine whether the carrying amount of these assets will be recoverable from future cash flows or from the proceeds of disposition of the properties. Assumptions underlying the cash flow estimates include the forecasted prices for gold, copper, silver and molybdenum, possible production levels, and operating, capital, exploration and reclamation costs, which are subject to risks and uncertainties. Management has determined that as at March 31, 2017 and May 29, 2017 there was no impairment of the carrying value of its exploration properties.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

### **Financial Instruments and Other Instruments**

The Company is required to disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet dates, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The Company's financial instruments recognized in the balance sheet consist of cash and cash equivalents, HST/GST receivables and accounts payable. The fair value of these financial instruments approximates their carrying value due to the short term to maturity of these instruments.

### **Risk Factors**

An investment in the Company's securities is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect the Company and its financial position. Please refer to the "Risk Factors" section in the Company's MD&A for the fiscal year ended June 30, 2016, available on SEDAR, [www.sedar.com](http://www.sedar.com)

## **Special Note Regarding Forward-Looking Statements**

Certain statements in this MD&A may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from the statements made. When used in this report, the words “estimate”, “believe”, “anticipate”, “intend”, “expect”, “plan”, “may”, “should”, and “will”, are intended to identify forward-looking statements, and reflect the current expectations of the management of the Company with respect to future events, and are subject to risks and uncertainties, such as reduced funding and general economic and market factors. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company does not undertake or assume any obligation to update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

## **Additional Information**

- (1) Additional information may be found on SEDAR at [www.sedar.com](http://www.sedar.com).
- (2) Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans is contained in the Company’s Information circular dated January 10, 2017 for the Company’s annual meeting of shareholders involving the election of directors.
- (3) Thomas Skimming, P. Eng., Vice-President, Exploration and a Director of the Company, a qualified person under NI 43-101, has reviewed and approved the technical information included in this Management Discussion and Analysis.