



## **SENATOR MINERALS INC.**

2200 – 885 West Georgia St., Vancouver, BC V6C 3E8  
SNR: TSX-V

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Three Months Ended March 31, 2017**

**Date Prepared: May 28, 2017**

#### **General**

The following management, discussion and analysis ("MD&A") for Senator Minerals Inc. ("Senator" or the "Company") for the three months ended March 31, 2017 should be read in conjunction with the Company's Consolidated Interim Financial Statements for the three months ended March 31, 2017 and the Company's Audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2016. The Consolidated Interim Financial Statements together with the following MD&A are intended to provide readers with reasonable basis for assessing the financial performance of the Company.

All dollar figures presented are expressed in Canadian dollars unless otherwise noted. Financial statements and summary information derived therefrom are prepared in accordance with International Financial Reporting Standards ("IFRS").

#### **Forward Looking Information**

Information set forth in this MD&A may involve forward looking information under applicable securities laws. Forward looking information is information that relates to future, not past, events. In this context, forward looking information often addresses expected future business and financial performance, and often contains words such as "anticipate", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the future expenditures and capital needs of the Company and the future exploration on, and the development of, the Company's projects are forward looking information. By its nature, forward looking information involves known and unknown risks, uncertainties and other factors which may cause Senator's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors, promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A, and other reports and filings with applicable Canadian securities regulations.

Forward looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of commodities; that the Company can access financing, appropriate equipment and sufficient labor and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward looking information. Accordingly, readers are advised not to place undue reliance on forward looking statements. Forward looking information is made based on

management's beliefs, estimates and opinions on the date that information is given and the Company does not intend to update forward looking statements or information, except as may be required by applicable law.

### **Description of Business and Overview**

The Company was incorporated in the Province of Ontario and continued into the Province of British Columbia, is listed on the TSX Venture Exchange (symbol: "SNR"), and has its principal, registered and records office at 2200 – 885 West Georgia Street, Vancouver, B.C. V6C 3E8.

The Company is in the business of acquiring, exploring and evaluating mineral resource properties, and either joint venturing or exploring and evaluation these properties further or disposing of them when the evaluation is completed.

### **Material Events/Transactions since December 31, 2014**

On August 24, 2015, the Company entered into an option agreement with an arm's-length vendor, which has an underlying option agreement with St. Jacques Minerals Corp., to acquire a 100% interest in the Pardoe Lake uranium project. The project is located in the Wollaston Domain of Northern Saskatchewan, approximately 30 kilometers southeast of the Athabasca Basin. Under the terms of the agreement, the Company can earn a 100% interest in the project by paying \$7,500 (paid) to the vendor within 30 calendar days upon signing, with an additional \$22,500 due in 24 months.

On August 27, 2015, the Company announced that it has completed the sale of its wholly-owned subsidiary, Senator Minerals US Inc., to an arm's length buyer for total consideration of \$50,863, consisting of \$10,000 cash and forgiveness of \$40,863 in debt incurred to keep the subsidiary and its assets in good standing.

On September 25, 2015, the Company completed a split of its common share capital on a 3-to-1 basis. Shareholders of the Company received an additional two common shares of the Company for every one share they presently hold.

On February 7, 2017, the Company has entered into an agreement with an arm's-length vendor to acquire a 100-per-cent interest in the Patterson North East (PNE) uranium project, located on the east side of the Athabasca basin in Northern Saskatchewan, the most productive uranium-producing region in the world.

Through the transaction, the Company can earn a 100-per-cent interest in the PNE project by making payments of \$150,000 to the vendor at various times in year one, a further \$250,000 on the first anniversary and a final payment of \$500,000 on the second anniversary of the transaction. As at March 31, 2017, \$15,000 was paid to the optionor.

On April 25, 2017, the Company wishes to clarify the terms of its proposed acquisition of the Carter Lake Uranium Project, located in the south-western corner of the Athabasca Basin, Saskatchewan, announced in its news release of April 24, 2017. The Company has entered into a letter of intent with Gunnar Minerals Corp. ("Gunnar"), pursuant to which it proposes to acquire a controlling interest in Gunnar in consideration for a cash payment of Cdn\$500,000. Gunnar holds the rights to acquire the Carter Lake Uranium Project.

Additional information relating to the Company is available at [www.sedar.com](http://www.sedar.com).

### **Exploration and Evaluation Assets**

On January 13, 2014 the Company acquired an option to earn an undivided 100% interest in the Harbey Gold Project, British Columbia. The option can be earned by paying \$130,000 (paid upon signing the agreement) and completing \$3,500,000 in exploration expenditures within three years from the date of signing the agreement. A 1% net smelter royalty ("NSR") interest can be purchased at any time by the Company for a payment of \$1,500,000. During the year ended December 31, 2016, the Harbey Gold project claim lapsed.

The Company's oldest exploration interest is its 100% interest in the Taurus property, a porphyry copper-molybdenum-gold deposit in the Tintina Gold Belt in southeastern Alaska, being part of the White Gold mineral trend centered in the Yukon. The Taurus property was the most significant property in Senator's portfolio in the mid-1990s, with substantial previous work by majors before Senator (known then as Cross Canada Resources). The property was lost but re-acquired on a 100% basis in 2004. Because of the perceived size and projected costs of exploration of Taurus the Company is weighing alternatives available to it, ranging from financing further work to enhance the value of the project to finding a major company to earn an interest in the property. During the year ended December 31, 2015, the Company sold its subsidiary which held its interest in the Taurus project.

During exploration for gold on Ivanhoe Creek, one of Senator's optioned Nevada properties, a bentonite deposit of undetermined size was discovered. Consequently, seven placer claims were staked in order to acquire the right to exploit this deposit in the event it proves economic. In April 2012, Senator sold its 50% interest in the IC Bentonite claims for a nominal \$100 and retained a 3% Production Royalty in the property.

In an acquisition finalized and announced May 31, 2011, the Company acquired a 100% interest in the 20 claim Rosebud property, Mohave County, Arizona. A 100% interest in the property, net of a 3% Net Smelter Returns ("NSR"), was optioned to an arms-length private company, IDH Gold LLC ("IDH Gold"), on March 6, 2012 (Initial payment of \$15,000US (received)). The optionor was also required to make further option payments as follows: \$15,000US on March 6, 2013 (received); \$25,000US on March 6, 2014 (received); and \$75,000US on March 6, 2015 (not yet received to date). Lastly, IDH Gold has agreed to pay the Company up to \$210,000US in common shares of IDH Gold if and when it obtains a common share listing on a recognized Canadian or US stock exchange. IDH Gold may also repurchase up to one percentage point of the NSR for a series of payments, totaling \$110,000US up to the fourth anniversary (The payment of \$20,000US on the second anniversary can be made by paying either \$20,000US cash or \$40,000US worth of IDH Gold common shares within 3 days of IDH Gold being listed on an acceptable stock exchange.) of the Agreement or by paying \$900,000US at any time up to the date of first commercial production from the property.

IDH Gold did not make the required payments on March 6, 2015 and defaulted on its obligations under the option agreement.

Effective April 29, 2013, in consideration of the termination and cancellation of various service agreements, the Company assigned the rights to any future payments received from IDH Gold, in connection with this option agreement, to a former director.

During the year ended December 31, 2015, the Company sold its subsidiary which held its interest in the Rosebud Property.

Ownership of mineral property interests may involve certain risks due to difficulties in determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of some mineral properties. The Company had investigated ownership of the mineral properties in which it has an interest and, to the best of its knowledge, all properties are in good standing.

It is the Company's policy to expense exploration and evaluation expenditures as incurred.

#### ***Patterson North East (PNE) Uranium Project, Northern Saskatchewan***

On February 7, 2017, the Company entered into an option agreement to acquire a 100-per-cent interest in the Patterson North East (PNE) uranium project, located on the east side of the Athabasca basin in Northern Saskatchewan.

The Company can earn a 100-per-cent interest in the PNE project by making payments of \$150,000 to the vendor at various times in year one, a further \$250,000 on the first anniversary and a final payment of \$500,000 on the second anniversary of the agreement. As at March 31, 2017, \$15,000 was paid to the optionor.

## Financial Information

### Overall Performance and Discussion of Operations

#### Summary of Quarterly Results and Financial Position

Quarter ended	Mar-31 2017 \$	Dec-31 2016 \$	Sep-30 2016 \$	Jun-30 2016 \$	Mar-31 2016 \$	Dec-31 2015 \$	Sep-30 2015 \$	Jun-30 2015 \$
General and administrative expenses	27,007	22,288	10,382	11,525	16,183	27,512	17,341	19,117
Net loss for the quarter	27,007	22,288	10,382	11,525	16,183	22,706	14,841	19,935
Loss per share, basic and diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total assets	20,947	5,160	4,202	4,693	4,396	3,149	5,792	4,646
Total liabilities	254,624	211,830	188,584	178,693	166,871	149,441	129,378	113,391

General and administrative expenses were substantially higher for the three months ended March 31, 2017 when compared to the same period in 2016: \$27,007 and \$16,183 respectively. This is a direct result of an increase in consulting and professional fees for the three months ended March 31, 2017. The net and comprehensive loss for the three months ended March 31, 2017 was \$27,007 (\$0.00 per share).

#### Liquidity and Capital Resources

##### *Liquidity*

The consolidated interim financial statements have been prepared using International Financial Reporting Standards (“IFRS”) on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for a foreseeable future.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While management is attempting to raise additional cash through private placements of common shares, alliances with other mineral exploration and mining entities, and/or other business and financial transactions, no definite proposals have been received to date. Management is closely monitoring the commodity prices of precious and base metals, individual equity movements and the stock markets to determine the appropriate course of action to be taken by the Company.

The consolidated interim financial statements do not include adjustments relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Working capital deficiency	\$ (249,377)	\$ (206,670)
Deficit	\$ (7,983,997)	\$ (7,956,990)

March 31, 2017, the Company had cash of \$84 (December 31, 2016 - \$822). Cash used in operating activities in first three months of 2017 was \$12,138 compared to \$10,447 in 2016. Cash used in investing activities in first three months of 2017 was \$15,700 (2016 - \$Nil). The Company received loans totaling \$27,100 (2016 - \$11,000) and accrued interest totaling \$3,790 (2016 - \$2,544).

In future capital must be obtained from debt or equity financing. See "Risk Factors".

### **Loans Payable**

Loans payable in the amount of \$165,955 (December 31, 2016 - \$138,855) are unsecured, payable on demand and bear interest at 10% per annum. The lenders have the option to be repaid in cash or shares of the Company. As of March 31, 2017, the Company had accrued \$24,968 (December 31, 2016 - \$21,178) in interest. On April 5, 2017, the Company received additional loans of \$12,300 with the same terms as above.

### **Share Capital**

As at March 31, 2017 and May \*, 2017, the details of share capital were as follows:

Authorized:

Unlimited number of common shares without par value  
 Unlimited number of special shares issuable in series without par value

Common shares issued: 33,456,537 issued for cash \$7,423,151

During the year ended December 31, 2015, the Company completed a split of its common shares on a 3-to-1 basis. All references to share and per share amounts have been retroactively restated to reflect the share split.

Warrants outstanding: Nil Options outstanding: Nil

### **Related Party Transactions and Balances**

#### *Key Management Compensation*

Key management compensation for the three months ended March 31, 2017 consisted of the following: management fees in the amount of \$5,000 (2016 - \$5,000) paid to companies controlled by directors of the Company.

#### *Related Party Balances*

At March 31, 2017, included in trade payables was \$14,700 (December 31, 2016 - \$12,600) owing to a company controlled by a director of the Company.

## **Subsequent Events**

On April 25, 2017, the Company wishes to clarify the terms of its proposed acquisition of the Carter Lake Uranium Project, located in the south-western corner of the Athabasca Basin, Saskatchewan, announced in its news release of April 24, 2017. The Company has entered into a letter of intent with Gunnar Minerals Corp. ("Gunnar"), pursuant to which it proposes to acquire a controlling interest in Gunnar in consideration for a cash payment of Cdn\$500,000. Gunnar holds the rights to acquire the Carter Lake Uranium Project.

Senator Minerals Inc. has engaged Canexplor Management Ltd. to oversee the exploration of its Patterson North East project, located on the west side of the Athabasca basin. Canexplor, a full-service exploration provider with extensive experience in both Canada and the United States, provides and manages a broad range of exploration activities, including physical sampling, ground geophysical surveys and diamond drilling.

Senator Minerals Inc. has updated and refined its exploration plans for phase 1 work at the PNE uranium project, located in the western region of Athabasca basin, Saskatchewan. The refined work program was redesigned in conjunction with Canexplor Management Ltd. to maximize the depth of investigation of the proposed high-resolution ground gravity program. The purpose of the survey, which is planned for the summer of 2017, is to examine and map the areas in and around the interpreted subsurface conductive anomaly, identified in 2013 by a 5.7-line-kilometre DC resistivity survey performed by Patterson Geophysics.

## **Critical Accounting Estimates**

The preparation of consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements. The Company constantly evaluates these estimates and assumptions.

The Company bases its estimates and assumptions on the past experience and other factors that are deemed reasonable under the circumstances. This involves varying degrees of judgment and uncertainty, thus the amounts currently reported in the audited consolidated financial statements could prove to be inaccurate in the future.

## **Outlook**

In the next 6-12 months, depending on sufficient financing, the Company intends to concentrate on the acquisition of new assets to expand its project portfolio. The focus of these acquisition activities will be on properties with near-term resource potential. The ability of the Company to do so is contingent upon its ongoing ability to raise the capital necessary to acquire new assets. Management is concerned about the state of the economy and the lack of liquidity in the market of junior mineral exploration company shares. As mentioned elsewhere in this MD&A the Company is striving to find financing opportunities and alternatives. Despite the best efforts of the management there is no assurance that the Company will be successful in raising additional funds.

## **Accounting Policies**

For a complete summary of the Company's accounting policies and future accounting policies, see Note 2 to the consolidated interim financial statements for the three months ended March 31, 2017.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any if these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

*Accounting Standards Issued with the effective date to be finalized:*

IFRS 9 *Financial Instruments* replaces the current standards IAS 39 *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities

with only two classification categories: amortized costs and fair value.

## Risk Factors

The exploration of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not overcome. Certain of the more immediate factors are discussed as follows:

### ***Exploration, evaluation and development***

Mineral exploration, evaluation and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved.

The commercial viability of a mineral deposits is also dependent upon a number of factors, some of which are beyond the Company's control such as commodity prices, exchange rates, government policies and regulations and environmental protection.

### ***Financing***

The Company does not currently have any operations generating cash to fund projected levels of exploration and evaluation activity and associated overhead costs. The Company is therefore dependent upon debt and equity financing to carry out its exploration and evaluation plans. There can be no assurance that such financing will be available to the Company. In the future, the Company will require additional funding to maintain its mineral properties in good standing. The lack of additional financing could result in delay or indefinite postponement of further exploration and possible, partial or total loss of the Company's interest in its exploration and evaluation assets.

### ***Commodity price volatility***

The market prices for commodities are volatile. The Company does not have any control over such prices or volatility. There is no assurance that if commercial quantities of mineralization are discovered, a profitable market will exist for a production decision to be made or for the ultimate sale of production at a profit. As the Company is currently not in production, no sensitivity analysis for price changes has been provided.

### **Off Balance Sheet Arrangements**

The Company has no such arrangements at the date hereof.

### **Financial Instruments**

The Company's financial instruments consist of cash, amounts receivable, trade and other payables, and loans payable. The fair value of the Company's amounts receivable, trade and other payables, and loans payable approximates their carrying value, due to their short-term maturities or ability of prompt liquidation.

For a complete summary of the Company's financial instrument risks see Note 4 to the consolidated interim financial statements for the three months ended March 31, 2017.

### **Approval**

The board of directors of the Corporation has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.