MAJESCOR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED FEBRUARY 28, 2017, AND FEBRUARY 29, 2016

The following Management Discussion and Analysis ("MD&A") of the operations, results, financial position and future prospects of Majescor Resources Inc. (the "Company" or "Majescor"), current as of June 7, 2017, should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended February 28, 2017 and the notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward looking statements

This MD&A contains or may refer to certain statements that may be deemed "forward-looking statements". Forward-looking statements include estimates and statements that describe the Company's future development plans, objectives or goals, including words to the effect that the Company expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for mineral commodities; exploration successes; new opportunities; continued availability of capital and financing; general economic, market or business conditions; and litigation, legislative, environmental or other judicial, regulatory, political and competitive developments. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Majescor does not undertake to update any forward-looking statement that may be made from time to time by Management or on its behalf, except in accordance with applicable public disclosure rules and regulations. Readers are cautioned not to place undue reliance on forward looking statements.

This MD&A includes but is not limited to, forward looking statements regarding: the potential and planned exploration on the Company's properties; the Company's ability to meet its working capital needs for the year ended February 28, 2017; the plans, costs, capital and timing of future exploration and development of the Company's property interests.

The Company's audit committee meets with management quarterly to review the financial statements including the MD&A.

Nature of Business

Majescor is a Canadian mineral exploration and development company incorporated under the *Canada Business Corporations Act*. The Company is engaged in the acquisition, exploration and development of mineral properties in Québec with the aim of discovering commercially exploitable deposits of minerals (primarily base metals, precious metals and Lithium), which can either be placed into production by the Company or disposed of for a profit to companies that wish to place such deposits into commercial production. The Company also continues to evaluate other opportunities outside its current areas of operations. The Company has not yet determined whether its properties contain mineral resources or mineral reserves.

Common shares of the Company are listed for trading on the Toronto Stock Exchange Venture Market (''TSX-V'') under the symbol "MJX". Majescor's head office is located in Ottawa, Ontario.

Going concern assumption

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated revenues, net income nor cash flows from its operations. The Company has incurred a loss of $943,632 (2016 – gain of $1,181,457, including a gain on deconsolidation of $1,257,022) during the year ended February 28, 2017 and has an accumulated deficit of $40,613,360 (February 29, 2016 -$39,669,728). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

As at February 28, 2017, the Company had working capital surplus of $151,679 (February 29, 2016 -deficiency of $22,202), including $284,131 (February 29, 2016 - $63,987) in cash and current liabilities totalling $142,479, including flow through shares premium liability of $16,667 (February 29, 2016 - $102,833). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company must secure additional funding to be able to discharge its liabilities and to fund its ongoing working capital requirements. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

The carrying amount of assets, liabilities and expenses presented in the consolidated financial statements and the classification used in the consolidated statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

Events after reporting period

On March 1, 2017 - Majescor Resources Inc. announced that Mrs. Lucie Letellier had been appointed as Chief Financial Officer of the Corporation effective immediately. She replaced Mr. Sabino Di Paola who has resigned to pursue other projects.

On March 1, 2017, 1,000,000 warrants were exercised at $0.07 for gross proceeds of $70,000 (which was in subscriptions received at February 28, 2017).

On March 1, 2017, 100,000 stock options were exercised at a price of $0.05 per share for gross proceeds of $5,000, the full amount of $ 5,000 was received by March 2, 2017.

On March 13, 2017 - Majescor Resources Inc. announced the signing of an agreement with Diagnos Inc. ("DIAGNOS") for the purchase of its assets from the mining division, including the Computer Aided Resources Detection System ("CARDS"), for total value of $800,000. Under the terms of the agreement, Majescor issued 8,000,000 common shares of its share capital to DIAGNOS, at a deemed price of $0.10 per share, in payment for the acquisition of the assets, consisting of DIAGNOS' mining claims, royalty agreements, and the CARDS system. Additionally, Majescor will remit to DIAGNOS (i) 50% of any payment that Majescor receives from the royalty agreements forming part of the acquired assets, and (ii) 5% of revenues generated by the commercialization of the CARDS system.

<u>Events after reporting period</u> (Continued)

On April 7, 2017 - Majescor Resources Inc. closed a $655,000 non-brokered private placement at $0.10 with one common share purchase warrant. Each Warrant entitles the holder thereof to acquire one additional common share in the capital of the Corporation at a price of $0.16 per common share for a period of twenty-four (24) months expiring on April 7, 2019. The warrants are subject to a forced exercise provision that, should the Corporation's common shares trade at a price of $0.24 or more for thirty (30) consecutive days, the warrant holder will then have 30 days following the 30th day of trading to exercise the warrants before they expire.

In connection with the private placement, the Company is paying a cash finder's fee of $15,200 and will issue 76,000 common shares and 76,000 non-transferable finder's warrants. Each finder's warrant entitles the holder to purchase one additional common share at a price of $0.16 per share for a period of twenty-four months expiring April 7, 2019.

On May 22, 2017, the Company granted 1,000,000 stock options to it's new CEO, Mr. Michel Larente, at an exercise price of $0.10 per option for a period of five years expiring May 22, 2022.

On May 31, 2017, the Company granted 750,000 stock options to directors, at an exercise price of $0.10 per option for a period of five years expiring May 31, 2022.

Exploration

Majescor is a junior explorer with its active projects in Canada. Exploration expenditures during the year ended February 28, 2017 and 2016, are as follows:

	Year ended	
	February 28, 2017	February 29, 2016
	$	$
Rupert		
Analysis	8,000	-
Logistics	7,790	-
Sampling	6,500	-
	22,290	-
Montagne B		
Logistics	50,963	-
Sampling	9,774	-
Report preparation	4,500	-
	65,237	-
Eastmain		
Logistics	70,467	-
Geology/Data	30,000	100,000
Sampling	25,977	-
Report preparation	9,000	-
	135,444	**100,000**
Nelly Neilson		
Analysis	6,000	
Logistics	28,650	
Sampling	6,000	
	40,650	**-**
Mistassini		
Claim renewals	-	5,485
SOMINE		
General field expenses	-	1,547
Totals	**263,621**	**107,032**

As of August 31, 2015, Majescor disposed of a significant portion of its interest in SOMINE and as a result of the deconsolidation in the financial statements the SOMINE exploration expenses have been reclassified on the Condensed Consolidated Interim Statements of Operations. The table above reflects both the exploration expenditures incurred in Majescor and SOMINE prior to the loss of control and deconsolidation. Despite having a minority interest in SOMINE, Majescor no longer intends to fund any of SOMINE's exploration activities in the future.

Eastmain project - James Bay Quebec

On September 23, 2015, the Company acquired certain claims in the James Bay area of Quebec for $24,974 from a director of the Company. There are no exploration work requirements on the property.

On September 15, 2015, the Company acquired a list of targets on these claims for 1,400,000 common shares with an estimated fair value of $70,000, as well as a 2% royalty on the net return of the smelting revenues associated with the minerals and concentrates to be extracted from the targets identified. The Company has the right to purchase 1% of the royalty for $1,000,000.

The James Bay claims, which cover 2,752 ha, are located near new Route 167, 320 km N of Chibougamau. They are within the favorable Opinaca metasedimentary Subprovince, which has numerous gold mines, deposits and occurrences, including Goldcorp's Eléonore Gold Mine (8+Moz Au, in production), Eastmain Resources' Eau Claire gold deposit (0.9Moz Au, at feasibility) and the Eastmain (Resources) Gold Mine (0.25Moz Au, open at depth and along strike).

The claims were acquired using DIAGNOS' property Computer Aided Resource Detection System (CARDS) to target the gold potential in the James Bay area of Quebec. The CARDS system uses powerful pattern recognition algorithms to analyse digitally compiled exploration data, and identifies areas (targets) with geochemical, geological and geophysical signatures similar to areas of known mineralization. The Eastmain database modelling included: 1) levelled and merged airborne magnetic surveys of the James Bay area; 2) topography; and 3) over 800 compiled assays (356 with Au = 1 g/t Au) from Quebec government-registered drill hole assays and surface samples. Based on analysis, and on known lithology and structural geology in the region, over 12 high priority gold targets have been identified and staked.

Montagne B project - Central Quebec

On May 25, 2016, the Company entered into an option agreement with Genius Properties Ltd. and two other vendors to purchase 100% of the Montagne B lithium properties (approximately 708 hectares) in central Quebec.

On August 30, 2016, the Company issued 2,500,000 common shares to Optionors and made a cash payment of $25,000 upon receipt of approval from the TSX Venture. The issuance of an additional 2,500,000 common shares within six months of signing and the second option payment of $25,000 was never granted due to the Company's decision to return the property.

After receiving and reviewing the initial exploration results on the property, and based on those results, the Company provided a termination notice on September 21, 2016, to the Optionors and returned the property.

Rupert Lithium project – James Bay, Quebec

On June 15, 2016, the Company entered into an option agreement to acquire two blocks of claims totaling 5.2 square kilometers that are located respectively south east from the Whabouchi lithium deposit of Nemaska and south west from the Cyr deposit which is actively explored by Galaxy Resources Limited.The claims cover consistent lithium anomalies in lake sediment within a pegmatite field and are road accessible. These anomalies will be tested from surface prospecting and by soil geochemistry.

Per the option agreement, the Company has the right to acquire 100% interest in the claims for $20,000. $10,000 is payable in cash and the Company must issue $10,000 worth of common shares. Majescor is also required to incur $4,000 in exploration expenditure per claim over a two-year period. As at the date of the MD&A the Company has not made any cash or common share payments.

The claims will be subject to a 1% net smelter royalty, with Majescor having the right to purchase 0.5% of the royalty for $1,000,000.

As at February 28, 2017, the Company has not acquired these claims.

Nelly Neilson

On October 25, 2016, the Company entered into a four-year option agreement to acquire 16 claims in the region of Monts Otish situated near the centre of the province of Québec, North of Chibougamau. The company has the right to acquire 100% interest in the 16 claims by spending at least $2,000 per claim in exploration expenditures in the first two years and, a total of $4,000 per claim during the four years of the agreement. The Company must also pay $2,500 cash per claim and, the Company will issue shares for a value of $2,500 per claim. The Nelly Neilson claims will be subject to a 1% NSR of which 0.5% can be purchased by Majescor for $1,000,000.

As at February 28, 2017, the Company has not acquired these claims.

During the year ended February 28, 2017, the Company incurred $40,650 of exploration and evaluation expenditures on assessing the potential of this property.

On January 18, 2017, the Company announced that it has map staked a number of new properties for gold and Diamond exploration in Quebec based on a thorough review of its exploration data base. The following is a brief summary of the recent acquisitions:

Mirabelli

Two claim blocks totaling more than 2,550 ha were acquired in close proximity to the Radisson Road in the James-Bay area. They cover the source area of anomalous gold values in till (up to 40 grains recovered from heavy mineral concentrates) samples collected over a previously un-mapped probable Banded Iron Formation identified earlier by Majescor through high-resolution airborne geophysics. The anomalous sectors are to be followed up through glacial sediment sampling as early as possible this spring, in conjunction with grassroots work on the unexplored portions of the pluri-kilometric belt.

On January 26, 2017, the Company announced that it has staked additional ground on its Mirabelli gold project in Quebec following the review of its exploration data base.

The new claim block totaling 6,120 ha is located just to the southeast of the claims covering a probable Banded Iron Formation. The new ground covers the source areas of anomalous gold values in till (up to 67 gold grains in heavy mineral concentrates and up to 1 g/t Au from geochemical analyses of the fine fraction) samples collected over a previously un-mapped section of a greenstone belt identified earlier by Majescor through high-resolution airborne geophysics. The highly anomalous tills are to be followed up through additional sampling and boulder investigation as early as possible this spring.

Laparre

The property, located in the Otish Mountains, totals 461 ha and covers anomalous kimberlitic indicator minerals (KIMs) counts in till. Ground follow up is planned for the next field season.

Nottaway

The claim block totalling 1,899 ha is situated roughly 105 km west of the town of Matagami. It covers the probable head of a poorly defined, albeit very anomalous dispersal train of KIMs identified by RC drilling from glacial sediments. The recovery of counts of up to 300 KIMs from the basal section of the drill holes and the significant proportion of ilmenites (up to 30%) and garnets bearing fragile partial alteration mantles suggest proximity to source. A review of all available geophysical data over the property will be initiated in the near future. The higher priority anomalies are to be tested by ground geophysics and drilling later in 2017. A number of untested magnetic anomalies are already known to be present within the project area based on earlier geophysical work.

Qualified person

The above technical information was prepared, confirmed and/or reviewed by Rémi Charbonneau, P.Geo. (Québec), and a qualified person under NI 43-101.

Financial Information

The following selected financial data is derived from the Company's consolidated financial statements.

	Year ended	
	February 28, 2017	February 29, 2016
	$	$
Exploration and evaluation expenditures	**515,833**	131,837
General and administrative	**267,501**	238,968
Stock based compensation	**177,000**	-
Loss (gain) on foreign exchange	**-**	2,604
Gain on sale of royalty	**-**	(279,000)
Gain on settlement of payables	**-**	(159,917)
Interest and other income	**16,702**	-
Net (loss) gain from continued operations	**(943,632)**	65,508
(Loss) from operations of SOMINE	**-**	(141,073)
Gain on deconsolidation of SOMINE	**-**	1,257,022
(Loss) gain attributable to equity holders of the Parent Company	**(943,632)**	1,181,457
Loss attributable to non-controlling interest	**-**	(31,389)
Basic and diluted (loss) gain per share	**(0.04)**	0.09/0.08

	February 28, 2017	February 29, 2016
	$	$
Statement of Financial Position		
Cash	**284,131**	63,987
Accounts receivable	**9,547**	14,710
Prepaid expenses	**480**	1,934
Total assets	**294,158**	80,631
Trade payables	**125,812**	102,833
Flow through premium	**16,667**	-
Equity attributable to equity holders of the Parent Company	**151,679**	(22,202)

	February 28, 2017	February 29, 2016
	$	$
Cash Flows		
Cash flows used in operating activities	**(512,036)**	(7,159)
Cash flows used in investing activities	**-**	(382)
Cash flows provided by financing activities	**732,180**	-
Net increase(decrease) in cash and cash equivalents	**220,144**	(7,541)

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Results of Operations

General and administrative expenses

General and administrative costs (“G&A”) include only the Company’s head office are summarized as follows:

	Year ended February 28, 2017	Year ended February 29, 2016
Management and consulting fees	**$ 123,338**	$ 92,626
Travel and promotion	**11,624**	459
Shareholder information	**37,979**	18,908
Professional fees	**60,543**	53,450
Office and general expenses	**34,017**	73,524
	$267,501	$238,968

Total G&A increased by $28,533 in the year ended February 28, 2017, over the comparative period, mainly due to the following changes:

Management and consulting fees

Management and consulting fees increased by $30,712 over the comparative period. The increase was due to the CEO charging consulting fees in the year ended February 28, 2017.

Travel and promotion expense

Travel and promotion expense increased by $11,165 over the comparative period. The increase was due to Majescor attending multiple investment conferences in the year ended February 28, 2017. There were no investment conferences attended in 2016.

Shareholder information and regulatory fees

Shareholder information and regulatory fees increased by $19,071 over the comparative period. The increase was due to the TSX Venture filings fees relating to property acquisitions and private placement in the year ended February 28, 2017. There was less activity in 2016.

Office and general expenses

The office and general expenses decreased by $39,507 over the comparative period. The decrease was due to cost cutting measures implemented by the Company.

Quarterly information

The following summarized financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's condensed consolidated interim financial statements and the audited consolidated annual financial statements for the respective periods.

Quarter Ended	Other Income	Gain on deconsolidation	Net (Gain) Loss	Basic and diluted Net (Gain) Loss per common share
	$	$	$	$
2/28/2017	-	-	100,213	0.01
11/30/2016	8	-	316,649	0.01
8/31/2016	-	-	401,380	0.02
5/31/2016	16,694	-	125,390	0.01
2/29/2016	-	-	(30,069)	0.00
11/30/2015	-	(29,342)	5,578	0.00
8/31/2015	-	(1,227,680)	(1,198,327)	(0.09)
5/31/2015	26	-	41,361	0.00

Liquidity and Capital Resources

As at February 28, 2017, the Company had cash of $284,131 (February 29, 2016 - $63,987) and current liabilities of $142,479 (February 29, 2016 - $102,833). All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

On May 12, 2016, the Company announced that it completed a private placement by issuing 6,230,000 units of the Company for gross proceeds of $311,500. Each unit consisted of (i) one common share of the Company at a price of $0.05 per common share and (ii) one common share purchase warrant. Each Warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.07 per common share until May 12, 2018. In connection with the private placement, the Company paid a finder's fee of $7,000, and issued 124,000 finder's warrants, exercisable at $0.07 until May 12, 2018.

On May 12, 2016, the Company also issued 4,780,000 flow through common shares at a price of $0.05 per share of the Company for gross proceeds of $239,000.

On December 31, 2016, the Company issued 416,666 flow-through common shares at $0.12 per share for gross proceeds of $50,000.

During the year ended February 28, 2017, 624,000 warrants were exercised at a price of $0.07 per share for gross proceeds of $43,680.

The Company generates cash flow primarily from its financing activities.

Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity attributable to equity holders of the parent company, which is comprised of share capital, reserves and deficit which at February 28, 2017, totaled a surplus of $151,679 (February 29, 2016 – a deficit of $22,202).

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so. Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- Minimizing discretionary disbursements;
- Focusing financing exploration expenditures on those properties considered to have the best potential; and
- Exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if the Company thinks there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended February 28, 2017, as well as the year ended February 29, 2016.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Off Balance Sheet Arrangements

As of February 28, 2017, and February 29, 2016, the Company has no off-balance sheet arrangements.

Related Party Transactions

Related parties include the Board of Directors and key management personnel, as well as, close family members and enterprises that are controlled by these individuals, as well as certain persons performing similar functions.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received.

Remuneration of directors and key management personnel of the Company was as follows:

	Year Ended February 28, 2017	February 29, 2016
Consulting fees, including director's fees	**$ 110,000**	$ 88,607
Share based compensation	**177,000**	-
Total	**$ 287,000**	$ 88,607

As at February 28, 2017, directors were owed $18,235 (February 29, 2016 - $18,325) included in trade payables.

1) Management fees include $65,000 (2016 - $Nil) paid to a Company controlled by André Audet, the Company's Chief Executive Officer.

2) Management fees include $45,000 (2016 - $35,800) paid to Sabino Di Paola, the Company's former Chief Financial Officer and Corporate Secretary.

Transactions with related companies

	Year ended February 28, 2017	February 29, 2016
Everton Resources Inc. ("Everton")	**$ 11,158**	$ 9,038

Under an agreement, which was signed on March 25, 2013 between the Company and Everton, the Company reimbursed the cost of shared salaries and benefits, rent and office expenses paid by Everton (which shares common management).

Financial Instruments

The Company's financial instruments consist of cash, investment in SOMINE and trade payables.

Investor relations activity

The management of the Company has assumed the investor relations role.

Changes in Accounting Policies

There were no significant changes to the Company's accounting policies in the years ended February 28, 2017 and February 29, 2016.

Change in management

On June 10, 2016, the Company announced the nomination of Mr. André Audet. he will temporarily fill the CEO position on an interim basis.

On October 25, 2017, the Company announced the nomination of Mr. Jacques Letendre to its Board of Directors. Mr. Letendre has work in various fields of geology (paleontology, sedimentology, marine geology, Quaternary geology), his diverse experience is a big asset to the Company.

On February 23, 2017, the Company announced the nomination of Mrs. Lucie Letellier as CFO. Mrs. Letellier is a financial professional with specialization in finance and accounting having spent over 25 years in public accounting. Lucie was the CFO of Paramount Gold and Silver Corp. having contributed to the development of the company from a private enterprise through private capital raising and 2 public listings overseeing $30 million in equity financing. Most recently, she was CFO to Crestwell Resources until its acquisition by Organic Garage Inc.

On May 22, 2017, the Company announced the nomination Mr. Michel Fontaine, appointed as Chief Executive Officer of the Corporation. He will be replacing Mr. André Audet who will remain as Chairman and Director of the Board. Since October 2015, Mr. Fontaine has been involved with Majecor as a Director of its Board. He was Vice-President/Business Development with Diagnos Inc ("DIAGNOS") since 2005. Mr. Fontaine previously held a position of Vice-President within a firm specialized in Forex (Foreign Exchange).

On May 31, 2017, the Company announce that André Larente has agreed to join the board of directors. Mr. Larente is President of Diagnos. Mr. Larente has previously held leading management positions with companies such as Siemens, Syscan International, Newbridge Networks, Legent, Cognos, Tandem Computers and Honeywell Information Systems.

Critical Accounting Policies and Estimates

The preparation of the Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the Financial Statements. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively in the period of change and future periods if the change impacts both periods.

Outstanding Share Data

Common shares and convertible securities outstanding at June 7, 2017, are as follows:

Securities	Expiry date	Exercise price	Securities outstanding
Common shares	-	-	48,427,775
Warrants	Up to April 7, 2019	$0.07 to $0.16	16,256,000
Options	Up to May 31, 2022	$0.05 to $1.50	4,600,000

Proposed transactions

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances, and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

Risk and uncertainties

Exploration of minerals and development of mineral properties involve significant risks, many of which are outside of the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure and easy access.

Financial risk

The Company is considered to be in the exploration stage, that it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in acquiring this financing, there is no guarantee of obtaining any future financing, or that it will be available on acceptable terms.

The prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mining exploration companies.

Foreign exchange risk

Some of the Company's expenditures are in US dollars. Movement in the Canadian dollar against these currencies therefore has a direct impact on the Company's cost base. The Company does not use derivative instruments to reduce its exposure to foreign exchange risks.

Risk on the uncertainty of title

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title.

Risk on obtaining permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Environmental risk

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy of the information presented.

(s)''Michel Fontaine	*(s)''Lucie Letellier''*
Michel Fontaine, Chief Executive Officer	Lucie Letellier, Chief Financial Officer