



**GTA RESOURCES AND MINING INC.**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**FOR THE YEAR ENDED MARCH 31, 2017**

## **Overview**

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of GTA Resources and Mining Inc. ("GTA" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended March 31, 2017. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended March 31, 2017 and 2016 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period presented are not necessarily indicative of the results that may be expected for any future period. The Company is presently a "Venture Issuer" as defined in NI 51-102.

The Company's financial statements and the financial data included in the MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee that are effective as at March 31, 2017.

The IFRS accounting policies set forth in Note 2 of the financial statements have been applied in preparing the financial statements for the years ending March 31, 2017 and 2016.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of GTA's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity

The MD&A was reviewed and approved by the Audit Committee and the Board of Directors and is effective as of July 19, 2017.

## **Forward Looking Information**

Certain information regarding the Company within Management's Discussion and Analysis ("MD&A") may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such thing as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these

**GTA RESOURCES AND MINING INC.**  
**Management's Discussion & Analysis**  
Year Ended March 31, 2017

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assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

**Nature of the Business**

The Company is currently engaged in exploration and evaluation of mineral properties and does not have any source of revenue or operating assets. The recoverability of the amounts shown for exploration and evaluation assets ("mineral properties") is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and future profitable production or proceeds from the disposition of properties. The amounts shown as mineral properties represent costs to date and do not necessarily represent present or future values.

The Company is a reporting issuer under applicable securities legislation in the provinces of Ontario, Alberta and British Columbia and its outstanding common shares ("Common Shares") are listed on the TSX Venture Exchange (the "TSX.V") under the symbol "GTA".

**Financing**

The Company completed no financing during the year ended March 31, 2017. Subsequent to the year end the Company completed equity financing.

**Selected Annual Information**

	<b>Year Ended</b>		<b>Year Ended</b>		<b>Year Ended</b>	
	<b>March 31, 2017</b>		<b>March 31, 2016</b>		<b>March 31, 2015</b>	
Revenue	\$	-	\$	-	\$	-
Net Loss	\$	743,893	\$	765,757	\$	540,822
Net Loss per Share	\$	(0.02)	\$	(0.02)	\$	(0.02)
Total Assets	\$	5,825,501	\$	6,186,330	\$	6,874,386
Total Liabilities	\$	54,107	\$	105,277	\$	97,576

**GTA RESOURCES AND MINING INC.**  
**Management's Discussion & Analysis**  
Year Ended March 31, 2017

**Selected Quarterly Financial Information**

The following table sets out the selected financial information for the three months ended:

	<b>March 31, 2017</b>	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>
Total assets	\$ 5,825,501	\$ 6,365,820	\$ 6,374,741	\$ 6,469,229
Working capital	\$ 83,076	\$ 191,029	\$ 227,940	\$ 338,605
Net loss for the period	\$ 539,670	\$ 4,222	\$ 62,535	\$ 137,466
Loss per share	\$ 0.02	\$ 0.00	\$ 0.00	\$ 0.00

  

	<b>March 31, 2016</b>	<b>December 31, 2015</b>	<b>September 30, 2015</b>	<b>June 30, 2015</b>
Total assets	\$ 6,186,330	\$ 6,542,862	\$ 6,739,401	\$ 6,899,251
Working capital	\$ 113,793	\$ 256,173	\$ 388,755	\$ 527,831
Net loss for the period	\$ 349,391	\$ 116,935	\$ 198,931	\$ 100,500
Loss per share	\$ 0.02	\$ 0.00	\$ 0.00	\$ 0.00

GTA reported no discontinued operations and declared no dividends for any period presented.

The following section discusses the reasons for some of the variations in the quarterly and annual numbers but, as with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the mineral properties in which the Company has, or may earn an interest in, its working capital and how many shares it has outstanding. The variation seen over and between individual quarters is primarily dependent upon the success of the Company's exploration activities on its current properties, none of which are possible to predict with any accuracy. There are no general trends regarding the Company's quarterly results, and the Company's business of mineral exploration is not seasonal.

Quarterly results can vary significantly depending on the activity level of the Company, whether the Company has granted stock options or hired new employees/contractors. These are the factors that account for material variations in the Company's quarterly net losses, none of which are predictable. General operating costs other than the specific items noted above tend to be quite similar from period to period.

**Results of Operations**

Years ended March 31, 2017 and 2016

The Company incurred a net loss of \$743,893 for the year ended March 31, 2017, compared to a net loss of \$765,757 for the year ended March 31, 2016. It is comprised of \$322,989 (2016-\$417,306) general and administrative expenses, offset by interest income of \$nil (2016-\$2,729) and deferred income tax recovery of

**GTA RESOURCES AND MINING INC.**  
**Management's Discussion & Analysis**  
Year Ended March 31, 2017

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\$49,400 (2016-\$3,305). In 2017 there was a write-down of exploration and evaluation assets in the amount of \$453,402 (2016-\$302,608), and share-based compensation of \$70,794 (2016-\$nil). In addition the Company realized a gain on sale of investments in the amount of \$114,333 related to the sale of shares of Probe Metals Inc. received as partial consideration for the sale of the Ivanhoe Property.

Decreases in expenses resulted from the following:

- \$5,350 administration expense in the current year versus \$22,000 in the comparative year.
- Travel decreased from \$47,476 to \$24,104 mainly due to decreased travel related to financing activities.
- Management remuneration decreased from \$267,000 to \$188,000 resulting from decreases in compensation/management fees.
- The Company incurred share-based compensation expense of \$70,794 in the current year versus \$nil in the comparative year as a result of 1,425,000 incentive stock options granted to officers, directors and consultants during the year.
- Deferred income tax benefit reflects the fulfilment of flow-through share commitment during the current year in the amount of \$49,400 versus \$3,305 in the comparative year.

Three months ended March 31, 2017 and 2016

During the three months ended March 31, 2017, the Company incurred a loss of \$539,670 (2016-\$349,391). It is comprised of \$87,750 (2016-\$113,594) general and administrative expenses, offset by interest income of \$nil (2016-\$37) and a write-down of exploration and evaluation assets in the amount of \$444,402. Also included in Q4 results was a gain on sale of investments in the amount of \$47,700 related to the sale of shares of Probe Metals Inc received as partial consideration on the sale of the Ivanhoe Property.

During the three months ended March 31, 2017, the Company entered into transactions with related parties in the normal course of operations. Included in related party transactions were key management personnel remuneration of \$56,667 (2016-\$72,000) accrued or paid and \$nil (2016-\$nil) in share-based payments. Office rent, supplies and equipment acquired from related parties during the period was \$4,700 (2016-\$10,500). In addition, the Company paid or accrued \$15,000 (2016-\$nil) for mineral property exploration consulting fees.

Accounts payable and accrued liabilities include \$814 (2016 - \$40,060) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

**Liquidity and Capital Resources**

This section should be read in conjunction with the audited statements of financial position for the year ended March 31, 2017, and the corresponding notes thereto.

**GTA RESOURCES AND MINING INC.**  
**Management's Discussion & Analysis**  
Year Ended March 31, 2017

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The Company has total assets of \$5,825,501 (2016 - \$6,186,330). The primary assets of the Company are cash and cash equivalents of \$80,391 (2016 - \$175,790), miscellaneous receivables of \$51,273 (2016 - \$26,212), prepaid expenses of \$5,519 (2016 - \$17,068), and exploration and evaluation assets of \$5,688,318 (2016 - \$5,967,260). The Company has no long-term liabilities and has working capital of \$83,076 (2016 - \$113,793).

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$4,312,782. As at March 31, 2017, the Company had cash and cash equivalents of \$80,391 to settle current liabilities of \$54,107.

To continue operations and to fund future obligations, the Company will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available. The Company has been successful in securing subsequent financing.

The Company relies on issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data that the Company manages as capital:

	<b>March 31, 2017</b>		<b>March 31, 2016</b>		<b>Change</b>
Cash and cash equivalents	\$	80,391	\$	175,790	\$ (95,399)
Share capital	\$	9,886,667	\$	9,658,124	\$ 228,543
Contributed surplus	\$	197,509	\$	553,922	\$ (356,413)
Accumulated deficit	\$	(4,312,782)	\$	(4,130,993)	\$ (181,789)

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations, including its flow-through obligations, and its exploration program.

**GTA RESOURCES AND MINING INC.**  
**Management's Discussion & Analysis**  
Year Ended March 31, 2017

**Mineral Property Interests**

	Northshore		Auden		Ivanhoe		Burnt Pond		Total	
	Years ended		Years ended		Years ended		Years ended		Years ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Opening balance – Acquisition costs	\$ 660,484	\$ 657,421	\$1,119,403	\$1,204,403	\$ 167,020	\$ 95,020	\$ 63,955	\$ 900	\$2,010,862	\$1,957,744
Additions	1,893	3,063	-	-	9,000	72,000	-	63,055	10,893	138,118
Subtotal	\$ 662,377	\$ 660,484	\$1,119,403	\$1,204,403	\$ 176,020	\$ 167,020	\$ 63,955	\$ 63,955	\$2,021,755	\$2,095,862
Write-down of costs	-	-	(280,195)	(85,000)	(176,020)	-	-	-	(456,215)	(85,000)
Closing balance – Acquisition costs	\$ 662,377	\$ 660,484	\$839,208	\$1,119,403	\$ -	\$ 167,020	\$63,955	\$ 63,955	\$1,565,540	\$2,010,862
Balance, beginning of period – Exploration and Evaluation Expenditures	\$2,712,827	\$2,678,645	\$1,095,840	\$1,083,447	\$ 130,980	\$ 291,291	\$ 16,751	\$ -	\$3,956,398	\$4,053,383
Assaying	-	-	-	-	-	-	-	-	-	-
Prospecting	-	-	-	-	-	17,588	48,000	-	48,000	17,588
Geological	71,588	25,075	-	-	-	39,709	55,000	-	126,588	64,784
Geophysical	-	-	-	-	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-	-	-	-	-
Trenching	-	-	-	-	-	-	-	-	-	-
Diamond Drilling	116,040	-	-	-	-	-	107,379	-	223,419	-
Core Shack	13,808	9,107	-	-	-	-	-	-	13,808	9,107
Miscellaneous	29,250	-	5,286	12,393	-	-	15,216	16,751	49,752	29,144
Subtotal	\$ 230,686	\$34,182	\$ 5,286	\$ 12,393	\$ -	\$ 57,297	\$ 225,595	\$ 16,751	\$ 461,567	\$120,623
Write-down of expenditures	-	-	(164,207)	-	(130,980)	(217,608)	-	-	(295,187)	(217,608)
Closing balance – Exploration and Evaluation Expenditures	\$2,943,513	\$2,712,827	\$936,919	\$1,095,840	\$ -	\$ 130,980	\$ 242,346	\$ 16,751	\$4,122,778	\$3,956,398
Total	\$3,605,890	\$3,373,311	\$1,776,127	\$2,215,243	\$ -	\$ 298,000	\$ 306,301	\$ 80,706	\$5,588,318	\$5,967,260

*Northshore Property*

The Northshore Property is located four kilometres south of the town of Schreiber in Ontario and approximately 70 kilometres west along the Trans-Canada Highway from the Hemlo gold deposit in the Schreiber-Hemlo greenstone belt. The property consists of two unpatented and 5 patented mineral claims (approximately 322.26 hectares) situated in the Township of Priske, Thunder Bay Mining Division, Ontario.

High grade gold mineralization has been identified along several vein systems which include the Audney, Caly and former producing Northshore vein systems. The Audney and Caly veins are part of a broader zone of gold mineralization referred to as the Afric Zone which encompasses both high-grade veins and broad zones of strongly anomalous gold values located in the altered country rock hosting the veins. The Afric Zone is the current focus of exploration on the Property with expansion of the high-grade vein system a secondary priority.

On July 27, 2011 the Company entered into an Option Agreement with Balmoral Resources Ltd. to acquire up to a 70% interest in the Northshore Property by making cash payments in aggregate totaling \$150,000, issuing in favour of Balmoral 3,500,000 common shares and completing \$5,500,000 in eligible work expenditures on the Property over a 5 year period.

Since acquisition and prior to March, 2016, the Company has completed 52 drill holes, totalling 11,390 m, and has identified the Afric Zone as an intrusive-related porphyry style gold system. In general most holes encountered significant gold intersections within a strongly altered felsic porphyry, often including multiple occurrences of visible gold. The drilling completed by GTA, has delineated the gold zone over a surface area of approximately 500 m by 350 m, to a depth of 350 m beneath the surface and containing a shallow, central higher grade sub-zone. Results from the central part of the Afric Zone included an intersection of 12.49 grammes per tonne (g/t Au) over 33.2 m within a zone assaying 3.21 g/t Au (1.20 g/t cut) over 152 m in hole WB-11-11. The zone remains open in several directions. In addition the Gino vein was identified as a separate, narrow, high grade quartz-carbonate vein to the north of the Afric Zone. Highlights included intercepts of 46.4 g/t Au over a 1.0 m, 41.6 g/t Au over 1.0 m in two separate drill holes.

During the spring of 2014, the Company retained consulting geologists to complete a NI 43-101 compliant mineral resource estimate for the Afric Zone. In a press release the Company reported that it had filed on SEDAR a technical report outlining the maiden 43-101 compliant resource estimate for the Afric Zone. The report outlined an indicated resource of 391,000 oz gold in 12,360,000 tonnes at a grade of 0.99 g/t Au, and an inferred resource of 824,000 oz gold in 29,580,000 tonnes at a grade of 0.87 g/t Au gold, using a 0.5 g/t Au cutoff grade (see GTA press release dated June 10, 2014).

On July 14, 2014 the Company, pursuant to the Northshore Option Agreement, delivered to Balmoral the Exercise Notice to vest the Company's initial 51% interest in the Northshore Property and subsequently advised Balmoral that it has elected to form a 51/49 joint venture on the Property with Balmoral. The Company will be the initial joint venture operator. Since this notification, Balmoral has opted not to participate in the subsequent proposed exploration programs and have been diluted pro rata to 45.93 %

On June 1, 2016, the Company staked three claim units near but not contiguous with the Northshore property.

Recently, GTA contracted the mining engineering services of Moose Mountain to outline areas of higher grade, near surface gold mineralization hosted within the Afric Zone. Moose Mountain designed pit shells based upon geological models provided by Messrs. Giroux and Blanchflower using a Lerchs Grossman (LG) pit design software program, and generated a sequence of pits which ranged from 5,000 to 1,500,000 tonnes. The results of this pit design process identified two potential open pit mining areas with near-surface gold mineralization. A smaller and larger pit option has been defined in each area.

Detailed information for these selected pit areas was disclosed in a press release dated June 17, 2015 which is available on SEDAR ([www.sedar.com](http://www.sedar.com)).



Of particular interest, each of these proposed pit shells encompass near-surface, higher grade gold mineralization that GTA believes could possibly be extracted with minimal surface disturbances by selective open cut mining operations. In addition, the proposed pit shells exhibit very low strip ratios (waste tonnes to mill feed tonnes).

Between June and September, 2016, GTA completed two phases of in-fill drilling and assay results were disclosed in press releases dated August 22, 2016 and November 1, 2016 which are available on SEDAR ([www.sedar.com](http://www.sedar.com)). A total of 51 (NQ size) holes (1463 m) were completed. Drilling focused on delineation and expansion of the near surface, higher grade mineralization of the Afric Zone, specifically the previously identified Caly and Audney vein systems. Most of the drilling (49 holes) consisted of a series of short holes (11 to 41 m) targeted to fill-in the gaps on both the Caly and Audney systems. Drilling continued to intersect very high grade (> 1 oz/ton), near surface, gold mineralization (including 139.00 g/t gold over 1.20 metres, 72.40 g/t gold over 1.0 metre and 39.3 g/t gold over 1.50 metres).

The results from the 2016 drilling are being compiled into an updated model, concentrating on the near surface higher grade zones. Once completed, GTA will focus on the economics of the near surface gold mineralization, prior to deciding upon the parameters of a proposed bulk sampling program. GTA as an ongoing process is investigating pricing and other logistics for potential infill drilling, base line environmental studies, road upgrades, mining, trucking, and milling with the idea of extracting a mini bulk sample.

In addition during fiscal 2017 fiscal year end GTA staked an additional three claim units near but not contiguous to the Northshore property.

#### *Auden Property*

The Auden Property is located north of Highway 11 between the towns of Hearst and Longlac, in northern Ontario. The Auden Property consists of 1,219 claim units covering approximately 15,000 hectares and the property covers virtually an entire Archean aged greenstone belt. This belt has been interpreted to be the eastern extension of the Beardmore-Geraldton greenstone belt, which lies approximately 110 kilometres to the east. The Beardmore-Geraldton greenstone belt has historic gold production in excess of 4 million ounces. The Auden claims are all located in the Porcupine Mining Division, in Auden Township, Pitopiko River Area, Feagan Lake Area, Fintry Township, Mulloy Township, Rowlandson Township, Shuel Township and Limestone Rapids.

Based on historical drilling, encouraging gold mineralization is known to occur on the Auden Property, and gold mineralization occurs in a variety of geological settings. Previous exploration on the Auden Property has identified gold mineralization associated with sulphide facies iron formation, silica facies iron formation, quartz - carbonate - tourmaline veining and disseminated mineralization hosted by conglomerates and volcanic rocks.

On October 24, 2013, the Company entered into an Exploration Agreement with Constance Lake First Nation ("CLFN") with respect to exploration activity on the Auden Property. The Exploration Agreement allows for compensation to CLFN for cultural and environmental impacts and includes the issuance of 100,000 GTA common shares on signing and the issuance of 200,000 common share purchase warrants on the first to the third anniversary dates (subject to regulatory approval). The agreement also allows for local work opportunities and business ventures, and for continued consultation on land use issues.

**GTA RESOURCES AND MINING INC.**  
**Management's Discussion & Analysis**  
Year Ended March 31, 2017

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During the year ended March 31, 2014, the Company completed an airborne geophysical survey of the Auden property as well as line cutting activities and ground geophysics. Diamond drilling of ten holes totalling 1217 metres targeting a weak EM anomaly for graphite was completed. As reported in a press release dated April 30, 2014, no graphite horizons were encountered. The Auden Property hosts several other EM anomalies which are currently being evaluated.

As at March 31, 2017, the Auden property consisted of 82 unpatented mining claims comprising 1,230 claim units covering 15,000 hectares in a largely contiguous block. During the year the Company allowed 396 claim units to expire resulting in the recording of an impairment of \$444,402.

*Ivanhoe Property*

The Ivanhoe Property consists of 829 claim units (132.58 km) covering a portion of the western extension of the Porcupine Destor Fault Zone (PDFZ) and the northeast extension of the Borden Lake Gold Trend. The property is transected by Hwy 101, located approximately 90 km west of Timmins.

On April 25, 2014 the Company entered into an Option Agreement with an individual and a private company to acquire a 100% interest in mining claims comprising the Ivanhoe Property. GTA carried out exploration on the property including prospecting, geochemistry and geophysics, however no drilling was carried out.

During the year ended March 31, 2016 impairment in the amount of \$217,608 was recorded resulting in a carrying value of the Ivanhoe Property of \$298,000 which reflected the fair value of the property at the time evidenced by a sale subsequent to the year end.

During the year ended March 31, 2017 the Ivanhoe Property was sold for proceeds of \$298,000 including cash of \$134,000 and 200,000 shares of Probe Metals Inc. GTA retains a 1% NSR on any future production from the property.

*Burnt Pond Property*

In May 2015, the Company acquired a 100% interest in the Burnt Pond Zn-Cu Property in central Newfoundland. The property consists of six separate claim licences (103 units), located in the Tally Pond volcanic belt which hosts Teck Resources Ltd's Duck Pond Mine and a number of other Cu-Zn-Ag-Au massive sulphide deposits.

The core claims (56 claim units) were staked by GTA in March, 2015. Two other licences (47 claim units) were purchased from an arm's length vendor in May 2015. Consideration for the 46 claim units included cash in the amount of \$3,055 and the issuance of 1,200,000 common shares. The transaction was measured based on market value of the equity instruments at \$0.05 per share rather than the fair value of the property acquired as there was no reliable measurement.

Burnt Pond allows GTA to diversify into a zinc-copper project, in a producing belt with excellent infrastructure and a mining friendly jurisdiction.

An additional 26 claim units were staked in August 2015 resulting in a total of 136 claim units.

During the year ended March 31, 2017, GTA carried out a sampling program targeting altered and mineralized felsic fragmentals on strike from the Duck Pond Cu-Zn massive sulphide mine. This program was successful in defining two target areas recommended for follow-up. Linecutting and electromagnetic surveys were completed on both the South Moose B target and the Burnt Pond Prospect northeast extension resulting in the definition of well defined conductive zones proximal to strongly altered felsic volcanic rocks. In January-February, 2017, GTA completed a three hole 874 m drill program testing both targets. Highlights from this initial stage of drilling included the extension of the Burnt Pond Prospect base metal horizon an additional 250 meters to the northeast and had a best intersection of 0.72% Zn, and 5.1g/t Ag over 4.2 meters.

### **Qualified Person and QA/QC**

Wayne Reid P. Geo, a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the disclosure regarding the Company's properties in this MD&A and has approved the disclosure herein. Mr. Reid is not independent of the Company, as he is the Vice President, Exploration and a Director, and holds common shares and incentive stock options.

### **Critical Accounting Estimates**

The preparation of the audited financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These audited financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of miscellaneous receivables that are included in the audited statements of financial position;
- the impairment and recoverability of exploration and evaluation expenditures incurred on the Company's mineral property interests; and
- the inputs used in accounting for share based payment transactions included in financial assets at fair value through profit or loss.

## **Changes in Accounting Policies**

### *Future Accounting Changes*

IFRS 9, Financial Instruments is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of assessing the impact IFRS 15 may have on future financial statements and plans to adopt the new standard on the required effective date

IFRS 16 *Leases* ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing the asset.

The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. Prospective application is required beginning on or after January 1, 2019 with early adoption permitted only if an entity early adopts IFRS 15 as well. The Company is in the process of assessing the impact IFRS 16 may have on future financial statements and plans to adopt the new standard on the required effective date.

IFRS 2 *Share-based Payments* ("IFRS 2") has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in June 2016. The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has not yet begun the process of evaluating the impact this new standard will have on its consolidated financial statements.

## **Financial Instruments**

### *Financial risk*

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

#### **(a) Credit risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and miscellaneous accounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with a Canadian Schedule A bank, from which management believes the risk of loss to be minimal.

Miscellaneous accounts receivable consists of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of March 31, 2017. Management believes that the credit risk with respect to financial instruments included in miscellaneous accounts receivable is minimal.

#### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

As at March 31, 2017, the Company had cash of \$80,391 (March 31, 2016 - \$175,790) to settle current liabilities of \$54,107 (March 31, 2016 - \$105,277). 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.

#### **(c) Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

##### **(i) Interest rate risk**

**GTA RESOURCES AND MINING INC.**  
**Management's Discussion & Analysis**  
Year Ended March 31, 2017

Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported net income (loss) and comprehensive income (loss) for the three months and year ended March 31, 2017.

(ii) Foreign currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

**Related Party Transactions**

During the year and three months ended March 31, 2017, the Company entered into the following transactions with related parties and paid or accrued the following amounts, excluding share-based payment charges in connection therewith:

<b>Name</b>	<b>Relationship</b>	<b>Purpose of Transaction</b>	<b>Three Months Ended</b>	<b>Year Ended</b>
Eastrock Exploration Inc.	Company controlled by the Vice President Exploration of the Company	Consulting/Technical Services	\$ 15,000	\$ 57,000
Brant Capital Partners Inc.	Company controlled by the CFO of the Company	Consulting	\$ 15,000	\$ 55,500
DGS Exploration Inc.	Company controlled by the Former Vice President Exploration of the Company	Technical Services	\$ nil	\$ 22,333
Maplegrow Capital Inc.	Company controlled by the Executive Vice President of the Company	Consulting	\$ 15,000	\$ 60,000
Jamie Macintosh	CEO of the Company	Consulting	\$15,000	\$25,000
HEGIBI Holdings Limited	Company controlled by the Chairman of the Company	Consulting	\$9,000	\$ 15,000
Eastrock Exploration Inc.	Company controlled by the Vice President Exploration of the	Rent	\$ 2,000	\$ 11,000

**GTA RESOURCES AND MINING INC.**  
**Management's Discussion & Analysis**  
Year Ended March 31, 2017

	Company			
Brant Capital Partners Inc.	Company controlled by the CFO of the Company	Rent, office supplies, administrative expenses	\$ nil	\$ 3,000
DGS Exploration Inc.	Company controlled by the Former Vice President Exploration of the Company	Rent including equipment	\$ nil	\$ 11,535

During the year ended March 31, 2017, the following stock options were granted to insiders.

Name	Relationship	Grant Date	Number Granted	Exercise Price
James Macintosh	President and CEO of the Company	June 15, 2016	125,000	\$ 0.055
Birks Bovaird	Director of the Company	June 15, 2016	125,000	\$ 0.055
Robert Duess	Former Director of the Company	June 15, 2016	150,000	\$ 0.055
Clint Barr	Former Director of the Company	June 15, 2016	125,000	\$ 0.055
Brian Crawford	CFO of the Company	June 15, 2016	150,000	\$ 0.055
Peter Clausi	Executive VP of the Company	June 15, 2016	150,000	\$ 0.055
Wayne Reid	VP Exploration of the Company	June 15, 2016	200,000	\$ 0.055
Julio DiGirolamo	Director of the Company	November 9, 2016	125,000	\$ 0.06
Stephen Stares	Former Director of the Company	June 15, 2016	100,000	\$ 0.055

**Off-Balance-Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

**Proposed Transactions**

As of the date of this MD&A there are no proposed transactions, not otherwise reported herein, where the Board of Directors or senior management believes that confirmation of the decision by the board is probable or with which the board and senior management have decided to proceed.

## **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash, cash equivalents, miscellaneous receivables, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## **Share Data**

As of the date of this MD&A, the Company has 42,526,855 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 2,662,500 common shares expiring at various dates between September 2017 and November 2021 and exercisable at prices between \$0.055 per common share and \$0.50 per common share; and (b) common share purchase warrants to purchase an aggregate 825,000 common shares expiring between March 14, 2018 and August 18, 2019 and exercisable between \$0.05 and \$0.085 per common share.

For additional details of share data, please refer to Notes 6, 7 and 8 of the March 31, 2017 audited financial statements.

## **Capital Management**

The Company's objectives when managing capital are as follows:

- (i) To safeguard the Company's ability to continue as a going concern;
- (ii) To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
- (iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short term working capital requirements, and its planned exploration and development program expenditure requirements. The capital structure of the Company is comprised of shareholders' equity which includes share capital, warrants, contributed surplus and deficit. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing. The Company considers its capital to be total shareholders' equity, comprising share capital, contributed surplus and deficit which at March 31, 2017 totaled \$5,771,394 (March 31, 2016 - \$6,081,053).

The Company utilized annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the period.

## **Legal Proceedings**

To the knowledge of the Company, there are no actual or pending legal proceedings to which the Company is or is likely to be a party or of which any of its assets are likely to be subject.



## **Risks and Uncertainties**

### Liquidity and Additional Financing

The Company has limited financial resources and no sources of revenues and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

### Regulatory Requirements

Even if the Company's properties are proven to host economic reserves of gold or other precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, regulations concerning business dealings with indigenous peoples, expropriation of property, environmental legislation and mine safety.

### Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, if any, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of diamond, precious and non-precious metals, any of which could result in work stoppages, damage to the property, and possible environmental damage. Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are involved in mineral exploration, development and operation. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the financial position of the Company.

The Company will continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to determine if mineralization reserves exist through drilling, to develop processes to extract the precious and non-precious metals from the mineralization and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance

can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis or at all. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of mineralization mined, fluctuations in markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access to any properties in which the Company has or may have an interest may have an adverse effect on profitability in that infrastructure costs will be higher.

#### Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and cause insolvency and/or a decline in the value of the securities of the Company.

#### No Assurance of Title to Properties

The acquisition of title to mineral projects is a very detailed and time consuming process. Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

#### Permits and Licenses

The operations of the Company will 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. Delays, or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

#### Competition

The mineral exploitation industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

### Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

### Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations.

### Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any copper, nickel, gold, platinum or any other minerals discovered. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, consumption patterns, speculative activities and increased production due to new mine developments and improved mining and production methods.

The effect of these factors on the price of gold, base and precious metals and therefore the economic viability of any of the Company's projects cannot be accurately predicted.

### Reliance on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

### Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

#### Share Price Volatility

Recently, securities markets in North America have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or such fluctuations will not materially adversely impact on the Company's ability to raise equity capital without significant dilution to its existing shareholders, or at all.

#### General Economic Conditions

Recent events in the global financial markets have had a significant impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. A continued or more profound slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending/confidence, employment rates, business conditions, inflation, fuel and energy, consumer debt levels, lack of available credit, the state of the financial markets, sovereign debt issues, interest rates, and tax rates may adversely affect the Company's growth and profitability.

#### Financial Resources

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. Future property acquisitions and the future exploration/development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public/private financing, or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

#### Dilution

The Company may require additional equity financing to be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

### **Commitments and Contingencies**

As of the date of this MD&A, the Company is committed to spending approximately \$29,750 associated with the flow-through offering that was completed subsequent to the year end. The Company intends to fulfill all flow through commitments by December 31, 2017. As of the fiscal year ended March 31, 2017, the Company has nil commitments related to flow-through financing.

### **Internal Control over Financial Reporting**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements, and (ii) the audited financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Subsequent Events**

On April 18, 2017, the Company issued 425,000 flow-through units for gross cash proceeds of \$29,750. Each flow-through unit consists of 1 common share and 1 common share purchase warrant exercisable for \$0.08 per common share until April 18, 2019.

On April 24, 2017, the Company entered into an option agreement under which it can acquire a 100% interest in the Big Duck Lake property. Terms of the option agreement include cash payment of \$15,000 on approval by TSXV and cash payment of \$40,000 six months following the initial cash payment. In addition, the Company issued 250,000 common shares upon approval by the TSXV and will issue an additional 500,000 common shares six months following the issue of the initial 200,000 common shares. The vendors of the Big Duck Lake property retained a 2% royalty of which the Company can purchase 50% for \$1 million at any time.

On April 26, 2017, the Company received proceeds from the Junior Exploration Assistance Program from the Province of Newfoundland in the amount of \$20,600.

On May 2, 2017, 250,000 share purchase warrants were exercised for cash proceeds of \$15,000.

On May 2, 2017, and May 13, 2017, 1,200,000 and 1,240,000 share purchase warrants respectively expired unexercised.

On May 16, 2017, 2,500,000 share purchase warrants and 200,000 broker warrants expired unexercised.

On June 13, 2017, 500,000 share purchase warrants expired unexercised.

**Additional Information**

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