



Management's Discussion & Analysis

Form 51-102F1

For the Year Ended May 31, 2018

INTRODUCTION

The following management discussion and analysis ("MD&A") of the financial condition and results of operations of the iMetal Resources Inc. (the "Company" or "iMetal") has been prepared by management, in accordance with the requirements of National Instrument of 51-102 as of September 20, 2018 and should be read in conjunction with the audited consolidated financial statements for the years ended May 31, 2018 and 2017 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"), and all other disclosure documents of the company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and www.imetalresources.ca.

All financial information in this report has been prepared in accordance with IFRS and all monetary amounts referred to herein, are in Canadian dollars, unless otherwise stated.

FORWARD LOOKING INFORMATION

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of base metals; (ii) that there are no material delays in the optimisation of operations at the properties; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

DESCRIPTION OF BUSINESS

iMetal Resources Inc. is a publicly listed company whose principal business activities are the exploration and development of mineral properties. The Company has properties located in Ontario and Quebec, Canada. The Company is a reporting issuer in British Columbia and Alberta, and trades on the Tier 2 on the TSX Venture Exchange under the symbol "IMR" and on the Frankfurt, Berlin and Bremen exchanges under the symbol "A7V".

SIGNIFICANT EVENTS

In July 2017 at the Company's annual AGM, Johan Grandin and Mark Fedikow were re-elected to the Board and Brian Fagan and Michael Blanchard, previously on iMetal's Advisory Committee, were elected to the Company's Board of Directors. Brian Fagan was appointed President and CEO of the Company and Johan Grandin, previously the President and CEO of the company was appointed Chairman.

In July 2017, the Company issued 100,000 stock options to a consultant of the Company at an exercise price of \$0.05 per share for a period of five years from the date of issue.

In August, 2017, the Company issued 200,000 stock options to consultants of the Company at an exercise price of \$0.05 per share for a period of five years from the date of issue.

In October 2017, the Company entered into an option agreement whereby it can acquire a 100% interest in the Mosher Lake property, contiguous to its Gowganda West property, located 17 kilometers west of Gowganda, Ontario (see Exploration Activities section for details).

In October 2017, the Company issued 2,700,000 stock options to directors, officers and consultants at an exercise price of \$0.07 per share for a period of five years from the date of issue.

In December 2017, the Company completed a non-brokered private placement by issuing 7,044,950 units for gross proceeds of \$422,697. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share, exercisable at a price of \$0.10 per share for a period of 24 months from the date of issue. The Company paid cash finder's fees totaling \$20,050 and issued 290,000 finder's warrants exercisable at a price of \$0.10 per share for a period of 24 months from the date of issue.

In January 2018, the Company granted 150,000 stock options to consultants at an exercise price of \$0.15 per share for a period of five years.

In April 2018, the Company granted 100,000 stock options a consultant at an exercise price of \$0.08 per share for a period of five years.

In May 2018, Brian Fagan resigned as CEO and Director. Johan Grandin, a Director of the Company, assumed the position of President and CEO and Ruth Bezys, previously on iMetal's advisory board has been elected to the Company's Board of Directors.

In May 2018, the Company granted 300,000 stock options to a director at an exercise price of \$0.085 per share for five years and granted 300,000 stock options to consultants at an exercise price of \$0.075 per share for five years.

In June 2018, the Company signed memorandums of Understanding (MOUs) with multiple First Nation communities to advance its Gowganda West Gold-Copper-Cobalt Project in Northern Ontario. The agreement remains in effect until the Company and the First Nations enter into an Impact Benefit Agreement (IBA).

In June 2018, Gary Grabowski, a former district geologist for the Ministry of Northern Development and Mines for more than 35 years and currently a director of both the Northern Prospectors Association and the Ontario Prospectors Association, has been elected to the Company's Advisory Board. He is also a Fellow of the Geological Association of Canada. During his tenure with the Ontario government, Mr. Grabowski was responsible for monitoring, facilitating and stimulating exploration, development and production of the district's mineral resources and providing professional technical advice and information about the district's geology and mineral potential to a wide range of client groups.

In June 2018, the Company granted 100,000 stock options to a consultant at an exercise price of \$0.08 per share for five years.

EXPLORATION ACTIVITIES

Gowganda West Property

During the year ended May 31, 2017, the Company entered into an option agreement for mineral properties in Gowganda, Ontario. The option agreement includes cash payments totalling \$200,000 and share issuances totalling 2,000,000 under the following terms:

- The Vendors will receive \$50,000 upon signing the definitive agreement (paid);
- The Vendors will receive \$50,000 each year for three years starting one year after the signing of the definitive agreement (year one paid). During the year ended May 31, 2018 the agreement was amended in that the first payment was satisfied in two \$10,000 payments and one \$30,000 payment;
- The Company will issue 500,000 shares to the vendors upon the signing of the definitive agreement (issued at a fair value of \$25,000);
- The Company will issue 500,000 shares each year for three years, starting one year after the signing of the definitive agreement (year one issued at a fair value of \$25,000);
- The Vendors will have the first right of refusal to participate in up to 10% of all future financings in the Company; and
- The Vendors will be entitled to 3% NSR royalty. The Company has the option to acquire half of the NSR for \$1,000,000 up until the end of the 3 year term of this agreement.

In October 2017, the Company released its Land Ownership Map for its Gowganda West property, located ~17km west-southwest from the town of Gowganda, Ontario, which is ~90km southwesterly from the city of Kirkland Lake. The Kirkland Lake district is part of the Destor-Porcupine gold camp, one of the most prolific gold mining districts in North America, with past production exceeding 70-million ounces of gold. Mining and exploration have been going on in this district since gold was first discovered near Timmins in 1907. The new map is available at [Gowganda Map](#) and on the iMetal website <https://imetalresources.ca/> under Projects/Gowganda West. This news release should be read in conjunction with the accompanying Land Ownership Map for iMetal's Gowganda West property (LOM/GW).

The Gowganda West property has been increased in size over the past several months through staking and acquisition from its original ~20sq km to ~105sq km. iMetal has completed a first phase exploration program of aggressive boots-on-the-ground prospecting focused on identifying new perspective targets on the property, resulting in the identification of four previously unknown gold, silver, copper, and cobalt mineralized zones. A second phase of exploration is underway. Additional prospecting, combined with channel sampling, mechanical stripping, and geophysical surveys are planned for this year with the objective of identifying drill targets for 2018. Currently, additional prospecting and channel sampling is being carried out on two of the above Zones.

Zone-1 Gold – is iMetal's first priority gold target. Having extremely easy access, it is located ~300m from the south boundary of Tahoe Resources Inc.'s claim block that hosts its JUBY gold deposit. Tahoe has reported that the JUBY gold deposit has indicated resources of 1.09 million ounces of gold (26.6 million tonnes at 1.28 g/t Au) and Inferred resources of 2.91 million ounces of gold (96.2 million tonnes at 0.94 g/t Au). Currently, Zone-1 is being further prospected while a channel sampling program is in progress. Results will be released after review.

Zone-3 Gold/Copper – is iMetal's second priority target. Also with easy access, its location is shown on the accompanying LOM/GW in the southwest portion of the iMetal claim block. The metals sought are gold/copper. Currently, Zone-2 is being further prospected while a channel sampling program is in progress. Results will be released after review.

Zone-4 Cobalt/ Silver – is iMetal's third priority target. It is shown on the accompanying Land Ownership Map/Gowganda West ("LOM/GW") in the southeast portion of the iMetal claim block. This showing has had very little prospecting work on it by iMetal to date. It was discovered aside of a turn-of-the-century trench, which contains cobalt-bloom oxidation. iMetal plans on further prospecting and sampling this Zone while the programs on Zones 1 & 3 are in progress.

Zone-2 COPPER/GOLD – is iMetal's fourth priority target. It is shown on the accompanying LOM/GW in the central portion of the iMetal claim block. To date, this showing has had very little prospecting work done on it by iMetal, but new programs on it will commence in the spring, 2018.

Exploration Update

In October 2017, the Company provided an exploration update for its Gowganda West property. The property is located ~17km west-southwest from the town of Gowganda, Ontario, which is ~90km southwest of the city of Kirkland Lake. The Kirkland Lake district is part of the Destor-Porcupine gold camp, one of the most prolific gold mining districts in North America, with past production exceeding 70-million ounces of gold. Mining and exploration have been going on in this district since gold was first discovered near Timmins in 1907.

The Gowganda West property has recently been increased in size over the past several months through staking and acquisition to ~105 km². Subsequent prospecting, rock sampling and assays have resulted in the identification of four previously unknown gold, silver, copper, and cobalt mineralized zones. This news release summarizes results to date at the Zone 1 gold target. News releases from the additional targets will be released as results become available.

Geological Setting

The property is underlain by Archean Timiskaming arenite, siltstone, wacke, argillite and conglomerate with minor amount of jasper clasts. Intrusive rocks include Matachewan diabase dykes and a series of quartz-feldspar dykes. Proterozoic rocks comprise conglomerate, sandstone, siltstone and argillite of the Gowganda Formation of the Huronian Cobalt Group.

Gold Mineralization

The Zone 1 Gold Target is located on claim 4373092, 500 m south of the Juby Deposit, between Tyrrell and Leonard Townships at UTM coordinates E0502704, N5270314. The mineralized zone was exposed by overburden stripping and is dominated by a 6-10 m wide shear zone hosted in vertically-dipping and north striking arkose and siltstone. The sedimentary rocks are altered by pervasive hematite, sericite, pyrite with localized limonitic gossans. Gold-bearing quartz-carbonate-sulphide veins vary in width between 2-5 cm and 20-30 cm and are localized both within and crosscutting the shear. Visually, the gold mineralization occurs in the moderately to intensely altered sedimentary rocks, is very fine grained and not visible in hand sample. Gold assays range from 0.10 g/t to 1.90 g/t.

Continuation of Zone 1

Ongoing stripping of outcrop by iMetal prospectors has revealed a possible northern extension of the Zone 1 gold target. The extension occurs approximately 140 metres north of the Zone 1 Gold target in a similar geological setting and alteration of host rocks with gold assays in representative rock chip samples varying between 0.11 g/t to 6.47 g/t (Table 1).

Sample	UTM East	UTM North	Au g/t or g per mt
70914	502704	5270379	3.38
70916	502711	5270406	0.43
70918	502701	5270409	0.17
70920	502704	5270377	0.52
70921	502698	5270448	3.07
70926	502699	5270389	2.45
70927	502714	5270381	1.28
70928	502704	5270460	0.21
70929	502711	5270388	0.98
70931	502708	5270386	0.34
70932	502709	5270391	0.73
70933	502712	5270388	0.11
70935	502712	5270389	0.23
70945	502677	5270399	6.47
70946	502686	5270398	0.18
70948	502679	5270413	1.13

Table 1. Summary of assays from the continuation of the Zone 1 Gold Target. Assays by Swastika Laboratories (Ontario). UTM datum is NAD83 Zone 17.

Comparison with the Juby Gold Deposit

The lithology of the Zone 1 Gold Target is similar with the lithologies, alteration and mineralization at the main zone of the Juby gold deposit. The mineralization at Juby occurs predominantly along the Tyrrell Structural Zone, which strikes at 105 to 115° and has near vertical to vertical dips. It attains widths of between 25 and 100 m and hosts bleached Timiskaming argillite and conglomerate. The sedimentary rocks are cut by abundant up to 2 m wide feldspar porphyritic dykes and by variable quartz, carbonate and quartz-carbonate veins, typically less than 5 cm across. Alteration consists of weak to intense ankerite-albite-silica-sericite. Feldspar porphyritic dykes are altered, mineralized and cut by veins and are mainly proximal to the Juby Main Zone.

Ongoing Exploration

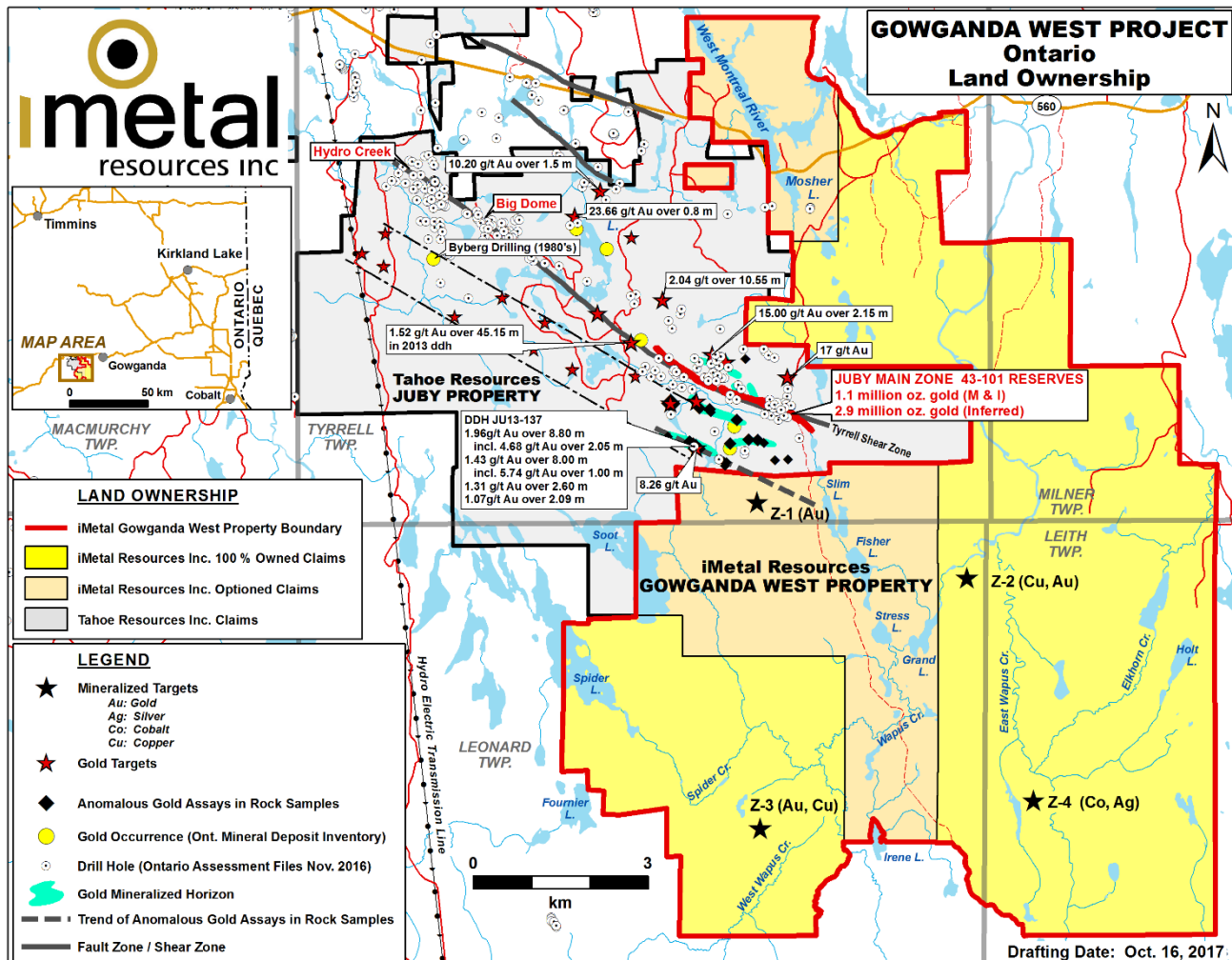
iMetal Resources is currently exploring its Gowganda West property with a prospecting and rock program including channel sampling, outcrop stripping and mapping. The aim is to provide a greater understanding of the Zone 1 Gold Target, expand the zone by ongoing channel sampling, geophysical surveys and test the extent of gold mineralization in three dimensions by diamond drilling.

In November 2017, the Company provided details of new high-grade gold mineralization recently discovered on Zone 3, located on its expanded Gowganda West property.

Zone-3 Gold Target (UTM 5264146N, 502791E)

Recent prospecting in new outcrop areas exposed by overburden stripping and outcrop sampling has resulted in the discovery of previously unrecognized high-grade gold mineralization. "Zone 3" is located 5.2 km south of Zone 1 where high-grade gold mineralization was discovered 500m south of Tahoe Resource's ~4-million ounce Juby gold Deposit (see

October 30, 2017 IMR news release). Tahoe has reported that the JUBY gold deposit has Indicated resources of 1.09 million ounces of gold (26.6 million tonnes at 1.28 g/t Au) and Inferred resources of 2.91 million ounces of gold (96.2 million tonnes at 0.94 g/t Au). Zone 1 is interpreted as analogous to the geology and mineralization at the Juby deposit. A location map for both zones is available at [iMetal Ownership Map PDF](#) and on iMetal's website. The 5.2 km distance between Zone 1 and Zone 3 is largely unexplored. It represents an important target trend, which is now being prospected.



Zone 3 comprises two areas of gold mineralization arbitrarily called Zone 3A and 3B

Assay Results - Zones 3A and 3B

Assay results for both mineralized zones are summarized in Tables 1 and 2. Strongly elevated and inter-correlated gold, silver and copper is present in multiple samples from the vein material in both Zone 3A and 3B. This includes maximum values of 56.59 grams per metric tonne (g/mt) gold and 15 g/mt silver in sample 5238 and 1.337% copper with 7.35 g/mt gold in sample 3511 in Zone 3A. Zone 3B maximum assay values includes 19.4 g/mt gold and 2.582% copper in sample 3514 and 21.9 g/mt silver in sample 5219.

Table 1. Summary of assay results for gold, silver and copper from 14 representative grab samples of vein material, Zone 3A. UTM datum is NAD83 Zone 17. “FA-GRAV” refers to Fire Assay-Gravimetry. NA-not available.

Sample	UTM East	UTM North	Au g/mt	Au g/mt	Ag g/mt	Cu %
				FA-GRAV*		
3511	502792	5264199	7.35	NA		1.337
3512	502790	5264150	1.24			
5207	502812	5264163	13.49	34.81	5.9	0.092
5227	502793	5264158	4.7	-	0.9	0.101
5228	502793	5264158	14.34	15.23	4.5	0.342
5229	502793	5264158	1.11	-	0.2	0.041
5230	502793	5264158	1.17	-	0.2	0.061
5231	502788	5264162	1.35	-	< 0.2	0.005
5232	502784	5264152	0.67	-	< 0.2	0.012
5233	502780	5264155	0.03	-	< 0.2	0.003
5235	502781	5264151	0.33		< 0.2	0.003
5236	502780	5265155	5.7	6.03		0.001
5237	502781	5264152	0.03	-	< 0.2	0.001
5238	502792	5264158	42.72	56.59	15	0.133

Table 2. Summary of assay results for gold, silver and copper from 32 representative grab samples of vein material, Zone 3B. UTM datum is NAD83 Zone 17. * “FA-GRAV” refers to Fire Assay-Gravimetry. NA-not available.

Sample	UTM East	UTM North	Au g/mt	Au g/mt	Ag g/mt	Cu %
				*FA-GRAV		
3513	502943	5264306	4.34			
3514	502943	5264306	19.4	NA		2.582
3515	502943	5264306	0.02			
3516	502943	5264306	0.02			
3518	502943	5264311	11.3			0.2924
3519	502942	5264318	0.03			0.0057
5208	502948	5264300	0.02	-	< 0.2	0.006
5209	502946	5264310	0.63	-	0.3	0.163
5210	502946	5264315	1.00	-	4	0.357
5211	502945	5264312	1.25	-	1.4	0.458
5212	502944	5264310	12.70	11	5.9	0.545
5213	502944	5264311	2.06	-	1.6	0.515
5214	502945	5264312	2.59	-	2.1	0.476
5215	502945	5264310	14.74	13.66	4	0.603
5216	502946	5264308	0.34		0.7	0.195
5217	502947	5264308	0.21	-	0.2	0.08
5218	502947	5264309	0.64	-	0.7	0.187

5219	502946	5264308	0.16	-	21.9	0.09
5220	502946	5264308	0.28	-	< 0.2	0.038
5221	502945	5264309	1.19	-	2	0.96
5222	502944	5264309	3.65	-	3.5	0.729
5223	502947	5264310	0.64	-	3.1	0.603
5224	502942	5264300	0.75	-	0.6	0.164
5225	502940	5264299	5.59	-	6.7	0.922
5226	502941	5264309	0.49	-	0.7	0.248
5239	502941	5264299	0.05	-	< 0.2	0.002
5240	502939	5264293	0.02	-	< 0.2	0.006
5241	502938	5264295	0.42	-	0.4	0.09
5242	502938	5264299	0.02	-	< 0.2	0.019
5243	502943	5264298	0.02	-	< 0.2	0.004
5244	502940	5264298	0.46	-	1.4	0.081
5245	502938	5264296	0.36	-	0.8	0.259
5246	502949	5264297	0.02	-	< 0.2	0.005
5247	502965	5264280	0.26	-	< 0.2	0.004
5248	502952	5264292	0.07	-	0.2	0.044
5249	502952	5264292	0.07	-	< 0.2	0.003
5250	502947	5264294	0.28	-	< 0.2	0.004

Ongoing Exploration

Preliminary exploration on the Gowganda West property has defined two distinctive quartz-carbonate and quartz vein systems mineralized with pyrite, chalcopyrite and in the case of Zone 3 malachite. Each of these vein sets are exposed in outcrop and characterized by high grade and intercorrelated gold, silver and copper in multiple samples. Zone 3 is the second area of high grade gold mineralization recently discovered by prospecting on the 105 sq km Gowganda West property. Exploration at Zone 1 on the property (see IMR October 30, 2017 news release) has defined an area of high grade gold mineralization in a geological setting reminiscent of the JUBY gold deposit of Tahoe Resources. Zone 1 occurs just ~300m from the south boundary of Tahoe Resources Inc.'s claim block that hosts its JUBY gold deposit.

The discovery of Zones 1 and 3 underscore the precious and base metal potential on the Gowganda West property in highly productive geological environments. Ongoing exploration including geophysical surveys and diamond drilling is planned for these two newly discovered areas and in new target areas defined by iMetal Resources' exploration team. All results will be made available in news releases as they become available.

Geology and Mineralization

The area of Zone 3 is underlain by Archean Timiskaming clastic metasedimentary rocks including arenite, wacke, argillite, arkose and conglomerate. The sequence and mineralized and altered zones are intruded by a strongly magnetic Matachewan diabase dike.

Zone 3A

In this zone mineralization is characterized by 0.5 - 2 m quartz-carbonate veins striking 700 west and dipping 75-80 degrees north for 15 metres in outcrop. Disseminated 0.5-1% fine grained pyrite and chalcopyrite are present in these veins. Host rocks include green-grey medium grained arkose that have been moderately silicified.

Table 1. Summary of channel assay results from Zone 3 extension, Gowganda West.

Sample Number	Gold	Gold	Copper
	FA-AAS (g/Mt)	FA-GRAV (g/Mt)	AR-AAS (%)
6701 over 0.3 m	8.55	9.37	0.505
6702 over 1 m	0.01		0.002
6703 over 0.75 m	0.87		0.003
6704 over 0.75 m	0.01		0.007
6705 over 0.75 m	0.02		0.005
6706 over 0.5 m	10.71	9.61	0.007
6707 over 1.1 m	0.05		0.004
6708 over 0.5 m	2.78		
Blank Value	<0.02		
Observed/Reported	<0.01		
Standard OxH139	1.29		
Observed/Reported	1.31		
Recommended Value OxH139	1.31		
Standard OxL118		5.87	
Observed/Reported		5.87	
Recommended Value OxL118		5.82	

Zone 3B

A second mineralized zone exposed in two segments occurs approximately 220 m northeast of Zone 3A at UTM coordinate 5264311 North and 502943 East. Both segments are characterized by mineralized quartz veins with trace to 2% pyrite, chalcopryite and malachite. Host rocks have been moderately to intensely silicified.

Quartz veins in the northern segment are 5-20cm wide, can be traced in outcrop for 10m and strike 200 north and dip 500 west. The southern segment continues for 8-10 metres and varies from 10 cm to 40 cm with a 200 north strike and 75-800 east dip.

In November 2017, the Company provided details of new high-grade gold, gold/copper, and cobalt/silver discoveries made during its Phase-1 exploration program on its Gowganda West property.

The Company continues to surpass its Phase-1 exploration expectations as it expands the Gowganda West property package. Initial milestones have been exceeded with impressive results accomplished within budget. iMetal has now initiated a Phase-2 exploration program.

Gold

Prospecting completed during the summer of 2017 resulted in the collection of over 100 grab samples, many of which returned significantly elevated gold and copper assays. Multiple assays up to **6.4 g/mt Gold** (see press release October 30th, 2017) from moss-covered outcrops on Zone-1 ("Z1") have been documented. The experience gained from the Z1 program was critical in discovering two additional gold zones: one ~100M north of a 2015 trenching and channel sampling program, and the other ~400M west of Z1. This work was also critical in discovering an additional Gold/Copper zone, Z3, with its highest assay of **56.4 gm/t Gold** (1.7 oz/mt Gold) and **2.58% Copper** (>50 lbs/mt Copper). Z3 is located ~5.2km south of Z1 (see press release November 09, 2017)

Z1

Z1 has been traced to the north boundary of iMetal's Gowganda West Claim Block. This zone mirrors Tahoe Resources' 4M/oz Juby gold deposit a few hundred meters further North. Prospecting in this area to date has defined **an initial north-south strike length of approximately 300 meters** for Z1 with a **width of approximately 20 meters**. In early November 2017, a channel sampling program was carried out and a second Zone similar to Z1 was located approximately **400 meters to the west**. Several mineralized quartz veins were identified at this new showing. Grab samples of the mineralized veins and wall rock have been collected; subject to receiving favourable results, a channel sampling program will be carried out. Line cutting, IP surveys, and diamond drilling are planned for early 2018.

Z3

At Z3 - ~five kilometers south of Z1, high grade gold and copper has been discovered. Mineralization is present in 2 locations named Z3a and Z3b. Channel sampling is complete at Z3b. Previously, assays from 40 grab samples returned up to **56.4 g/t Au** and **2.58 % Cu** (see press release Nov 9, 2017). Z3a is still in the process of channel sampling. In early November, the field team located a greater than one-meter wide mineralized vein 35 meters northeast of Z3a. Channel sampling and a program of trenching to obtain fresh rock for assay is planned for this vein. Similar to Z3a and Z3b, the strike length and width of the veins are currently unknown due to the ongoing nature of the work. Following encouraging assay results, a program of IP surveys and diamond drilling is planned. Preliminary prospecting results indicate that the presence of numerous quartz veins of varying widths (a complex of stock work veins) may be present in the area.

Z4 / Cobalt-Silver

Z4 is located ~4km kilometers to the east of Z3; another highly prospective area iMetal will be assessing throughout the winter months. Quartz-calcite veins which are shown on the MNDM geological map of Leith Township are another serious exploration target. An old mine shaft was discovered during claim staking as iMetal was adding additional claims to enlarge the GWP property. Numerous trenches east of the historic mine shaft have been located. One of these veins, 20 meters long, is marked by the presence of **cobalt bloom** on its walls. One sample collected by the staker assayed 0.1% Cobalt. Further prospecting is underway.

On iMetal's **Mosher Lake** optioned property, a sampling program in October resulted in the discovery of highly elevated cobalt assays. Three samples taken on the #2 vein east of Mosher Lake returned up to 3721 ppm (0.37%) cobalt and 18.4 grams per tonne silver. The 20-meter-long cut hosts an 18cm wide quartz-calcite vein. Channel sampling and drilling of blast holes will be initiated to get non-oxidized rock for assays and study. In total, prospecting indicates a total of 6 veins striking east west across the 500m north/south trending Nipissing diabase dyke (a common host rock for silver and cobalt deposits in the area).

Z2

The Hiltz copper/gold showing, referred to as Z2, is in a remote part of the property, accessible only by boat via Wabus Creek. Z2 will be the target of a spring prospecting program when the creek system can be safely navigated.

Summary

The 105 square kilometer Gowganda West property currently hosts seven previously unrecognized mineralized zones in unexplored areas. Assessment work required to hold the Gowganda West claims is in good standing for up to two years with renewals easily undertaken. Additional information on Z1, Z3, Z4, and Mosher Lake will be released as the winter exploration program progresses.

With few historic documents available for the Gowganda West area, iMetal is effectively generating the first exploration database for the area. All mineralized zones occur in relatively undocumented, unexplored territory. Documentation is available for the 1908 silver boom at Mosher Lake that sparked the Gowganda silver rush, however, no data has been located for the recently discovered historical mine shaft and old trenches. The question of continuity along strike and between quartz veins will be assessed as iMetal enters its Phase 2 exploration program. There are definite indicators that strongly suggest the high-grade gold-copper vein systems may be much bigger than originally expected.

Phase 2 Exploration

iMetal's winter Phase 2 exploration program is in progress. The Company's team is well experienced with a field component of mining veterans with combined experience of over 100 years. The channel sampling program will be followed by line-cutting, IP surveys and diamond drilling. Permits for this work are now being filed. This program will result

in the development of a strong knowledge base that will provide insight into the size and potential for the development of Z1 and Z3.

January 2018: A quartz vein stockwork of variable widths containing high grade gold and copper assays was discovered by hand trenching on **Zone 3A**. The zone was exposed for 10m in width and 20m in length and includes channel sample gold assays of up to 23.67 g/mt over 30 cm and 4.70 g/mt over 60 cm.

Zone 3B is approximately 300 meters northeast of Zone-3A in a similar geological setting. Assay results from chip samples of mineralized quartz veins at this location included 56.4 g/mt gold and 2.58% copper. Channel samples from newly discovered and exposed quartz veins at Zone-3B assayed up to 5.30 g/mt gold across 50 cm.

The nature, expansion and connectivity of Zones 3A and 3B will be determined by upcoming exploration including ongoing channel sampling and plugger-hole outcrop blasting. Line cutting, geophysical surveys and diamond drill testing are planned.

Zone 1 occurs 5km north of **Zone-3** in a similar geological setting. It extends for 300 m in a north-south orientation. Exploration approximately 400m to the west of Zone 1 documented chalcopyrite and pyrite-mineralized quartz veins that assayed 0.56 g/mt gold in a single grab, suggesting potential for additional structurally-controlled gold mineralization in this area. Ongoing chip and channel sampling is planned with follow-up line cutting, IP surveys and diamond drilling if warranted.

Zone 1 is approximately 900 meters south of Tahoe Resources' 43-101 4M oz JUBY gold deposit.

Infrastructure Development and Permitting

Permits for geophysical surveys and drilling are being finalized. The construction of haulage roads and a bridge in support of active logging now provides easy access to Zones 1, 3, and 4. This improved infrastructure has significantly reduced travel time to the Zones for personnel and equipment and improves the cost-effectiveness of exploration.

February 2018: Assay results from the ongoing winter program at **Zone 3A** document high-grade gold and copper from a stockwork of chalcopyrite and pyrite mineralized quartz veins and quartz stringers. Three samples were collected and assayed:

Sample 5578B: 34.44 gm/t gold and 2.6% copper

Sample 5579: 1.91 gm/t gold and 0.47% copper

Sample 5580: 0.61 gm/t gold and 0.18% copper

Ongoing Exploration

Ongoing outcrop chip and channel sampling at Zone 3 has been focussed on the area between Zones 3A and 3B to identify additional gold and copper mineralization and establish IP and drill targets. The distance between Zones-3A and 3B is 300 meters.

New Target / Zone 4 Cobalt

Two areas of altered and silicified outcrop stained by cobalt bloom have been discovered 4km east of Zone-3. The first area of interest is a 20-metre-long trench initially discovered in 2017 (see press release, November 22nd, 2017). The second area occurs 700 metres north of this trench and is characterized by multiple quartz veins and highly altered host rock with cobalt bloom. Channel and grab sampling in these areas is ongoing.

The Company has developed a new digital "GWP Sample Results" map which has been posted on the iMetal website at: <https://imetalresources.ca/gowganda-west/gowganda-west-maps/>

March 2018: Prospecting near Zone 3 has extended, by 15 metres, the high-grade gold-copper quartz vein stockwork at Zone 3A towards Zone 3B for an overall inferred strike length of 300 metres. Gold and copper assays from rock chip samples collected from the extension have maximum values up to 8.7g/mt and 0.79% copper, respectively in nine samples. Permits for geophysical surveying (induced polarization) and drilling for the purposes of assessing Zone 3 mineralization have been submitted to the Ontario government. Table 1 summarizes assay results to date on the Zone 3A extension.

Table 1. Summary of nine assay results from Zone 3A extension, Gowganda West property.

Sample Number	GOLD FA-AAS (g/MT)	GOLD FA-GRAV (g/MT)	COPPER AR-AAS (%)
5581	6.22	6.75	0.371
5582	2.40		0.186
5583	0.04		0.006
5584	8.44	8.7	0.317
5585	0.05		0.005
5586	1.78		0.740
5587	<0.01		0.004
5588	5.94	7.21	0.793
5589	2.43		0.106
Blank Value 0.02	0.02		
Standard SE58	0.59		
Recommended Range SE58	0.57- 0.64		

April 2018: Prospecting in the vicinity of Zone 3A has expanded the high-grade gold-copper quartz vein stockwork for 70 meters towards Zone 3B. The vein system consists of up to 2-meter-wide veins. Additional historic trenches discovered in the area provide additional evidence for the extension of Zone 3A stockwork towards Zone 3B for at least 300 meters. Mineralization in the stockwork is consistent and characterized by disseminated chalcopyrite with malachite stain and pyrite. Gold and copper assays from channel samples collected from the extension have maximum values of up to 10.71g/Mt gold over 0.5 meters and 0.50% copper over 0.3-meters from eight samples. Results from this latest round of sampling are summarized in Table 1 below. The close correspondence between the recommended values for the standards in Table 1 with those received from the assay laboratory indicate the assays are accurate. The close correspondence between the recommended values for the standards in Table 1 with those received from the assay laboratory indicate the assays are accurate.

Mosher Lake Property

In October 2017, the Company entered into an option agreement for mineral properties in Gowganda, Ontario. The option agreement includes cash payments totalling \$50,000 and share issuances totalling 3,000,000 under the following terms:

- The Vendors will receive \$20,000 upon signing a definitive agreement (paid);
- The Vendors will receive \$15,000 each year for two years starting one year after the signing of the definite agreement;
- The Company will issue 1,000,000 shares to the Vendors upon signing a definitive agreement (issued at a fair value of \$70,000);
- The Company will issue 1,000,000 shares to the Vendors each year for two years starting one year after the signing of the definite agreement;
- A 2% NSR is reserved by the Vendors on the property. The Company has the option to acquire half of the NSR for \$1,000,000 anytime up to five years from the date of closing of the definitive agreement; and
- The Vendors have the first right of refusal to participate in up to 10% of all future financings in the Company.

Ghost Mountain Property

During the year ended May 31, 2017, the Company entered into an option agreement for mineral properties in Kirkland Lake, Ontario. The terms of the option agreement include:

- The Vendors will receive \$25,000 upon signing of the definitive agreement (paid);
- The Vendors will receive \$25,000 one year from signing the definitive agreement (paid) ;
- The Company will issue 750,000 shares to the Vendors upon the signing of the definitive agreement (issued at a fair value of \$41,250); and
- The Company will issue 750,000 shares one year from signing the definitive agreement (issued at a fair value of \$67,500).
- The Vendors will have the first right of refusal to participate in up to 10% of all future financings in the Company; and
- The Vendors will be entitled to 3% NSR royalty. The Company has the option to acquire half of the NSR for \$1,000,000 up until the end of the 3 year term of this agreement.

Temagami North Property

Temagami North Property originally comprised of several non-contiguous mining claim units in the New Liskeard/Cobalt kimberlite field in north-eastern Ontario. It is underlain by the same Archean basement rocks that host the Victor Pipe, near Attawapiskat, which De Beers brought into production in 2008, and subsequently won Mining Magazine's prestigious 'Mine of the Year' award in 2009. De Beers has reported a 36 million tonne inferred resource grading 0.43 carats per tonne. The Victor Pipe lies at the northern extension of the Lake Timiskaming Structural Zone (LTSZ), a broad northwesterly trending zone along which a number of kimberlite clusters occur. Following the LTSZ clusters south and east from Attawapiskat to Kirkland Lake and the New Liskeard/Cobalt area, more than 30 kimberlite pipes have been located, some of which are diamond bearing.

The Company holds certain claims on the Temagami North property. During the year ended May 31, 2016, certain claims expired and the Company wrote off a carrying value of \$700,568.

Carheil Property

In October 2015, the Company acquired mineral properties (43 claims) in Quebec from Skyworld Holdings Limited ("Skyworld"). The terms of the acquisition include:

- Skyworld will receive \$15,000 upon signing of a definitive agreement (paid);
- Skyworld will receive \$10,000 each year for five years for a total of \$50,000 starting in the year following the year of the initial \$15,000 payment and the signing of the definitive agreement (paid in full);
- The Company will issue 400,000 shares to Skyworld upon the closing of the transaction (issued at a value of \$20,000);
- The Company will issue 500,000 additional shares per year each year for three years for a total of 1,500,000 shares, starting in the year following the year after the closing of the transaction (issued in full at a value of \$75,000).

Finder's fees were paid in 190,000 shares valued at \$9,500 to an arm's length third party in connection with this transaction. In August 2016, the Company renewed the 43 claims for two years and also staked an additional 189 contiguous claims for two years.

Skyworld is a private Ontario based company controlled by Ms. Lynn Norris. The Carheil property acquired from Skyworld encompasses approximately 5,400 acres, 100% owned contiguously, subject to a 3% NSR. The property is located approx. 280km NNW of Val-d'Or, Quebec and approx. 20km east of BHP Billiton Ltd's past producing Selbair Zinc mine. Part of the property (360 acres) was formerly explored by Noranda Exploration Co. Ltd. (Noranda), including a geophysical survey in August 1975.

A historical, non-43-101 compliant, geophysical survey report was filed with Quebec Ministry of Natural Resources, report number GM: 31366. The historical data therein was obtained by previous operators. iMetal has not completed the work necessary to verify the results and is not treating the results as 43-101 compliant. The property will require further evaluation which iMetal intends to carry out in due course.

In March 2016, the Company announced that a diamond drilling program has commenced on the Carheil property. Carheil is located 130 km north of the town of La Sarre, in the Abitibi region of Quebec. The first hole is planned to “twin” a historical hole drilled by Noranda in 1978 and reported in the Quebec Ministry files. The Company will assess the deeper portions of the Carheil graphite zone with their drill program. The Company has recently obtained historical geophysical survey maps from the Ministry which provide detailed information on all electromagnetic and magnetic conductors on the property. The second drill hole in the Company's program will be planned according to results of both the drill data and the compiled information from the historic geophysics maps and report. The Company is planning to construct an all-weather road for ease of access to their drill site thereby facilitating spring and summer exploration and year-round drilling. A secure core shack has been constructed for drill core logging and sampling. Assays will be performed by Accurassay (Thunder Bay, Ontario) and will be reported when results are received.

In August 2016, the Company announced results from one of their three-hole diamond drill program on the Company's property in Carheil, Quebec and details from a petrology report by AGAT Laboratories (Calgary). DDH 1603 was drilled at a -55- degree angle intersecting graphitic sedimentary rocks at a depth of approx. 95 meters. Samples collected from the graphite zone represent a near perpendicular section through the sequence. A review of the petrology of the graphite intersection indicates the presence of Jumbo-sized graphite flakes in combination with Large and Medium to Small graphite flakes within a zone grading 1.67% Cg over 4.67 meters, from 144.56-149.23 meters in the hole. The Jumbo-sized flakes occur in a 1.1 meter sample grading 7.48% Cg. The largest Jumbo flake identified measured over 785 Microns, (a Jumbo flake is any flake that measures greater than 300 Microns). A petrology report from AGAT Laboratories in Calgary for the remaining 2 holes drilled 25 meters apart is pending. Previously, a review by IMR of historical geophysical survey reports based on exploration by Noranda Exploration and described in a March 7, 2016 news release, documented the presence of a strong, several km-long electromagnetic conductor that extended beyond the Carheil property boundaries. On this basis the Company has exercised the option to acquire from Skyworld Holdings (see October 22nd, 2015 press release) full ownership of the Carheil property issuing a total of 1.9 Million shares. This will allow IMR to control 100% of this geophysical anomaly. More detailed information is available on www.imetalresources.ca. The Carheil property is less than 20 km south east of the Detour Gold (DGC.TSX) mine and 20 km north of Hecla Mining's (HL.NYSE) Casa Berardi Gold Mine.

During the year ended May 31, 2018, the Company renewed the 54 claims to August 2020 and subsequent to May 31, 2018, the Company renewed the 54 claims to August 2022.

The technical content of this MD&A has been reviewed and approved by Mark Fedikow, Ph.D. P.Geo., a qualified person as defined under Ni 43-101.

SELECTED ANNUAL INFORMATION

	For the years ended		
	May 31, 2018	May 31, 2017	May 31, 2016
	\$	\$	\$
Net loss	(776,663)	(234,030)	(690,395)
Basic (loss) per share	(0.01)	(0.00)	(0.03)
Total assets	1,219,765	962,137	514,860
Working capital/(deficiency)	93,603	300,237	(166,993)

RESULTS OF OPERATIONS

For the years ended May 31, 2018 and May 31, 2017

Revenues

Due to the Company's status as an exploration and development stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations. Its only source of revenue is interest income.

Operating expenses

The net loss for the years ended May 31, 2018, was \$776,663 as compared to a loss of \$234,030 for the year ended May 31, 2017.

Consulting fees for the year ended May 31, 2018 was \$301,783 compared to \$229,722 for the year ended May 31, 2017. The increase in consulting fees is a result of the addition of new consultants in the current year.

Investor relations for the year ended May 31, 2018 was \$Nil compared to \$6,000 for the year ended May 31, 2017. The decrease is a result of the reduction of investor relations services in the current year.

Marketing for the year ended May 31, 2018 was \$41,119 compared to \$Nil for the year ended May 31, 2017. The increase in marketing expenses is a result of the addition of a new marketing consultant in the current year.

Share-based payments for the year ended May 31, 2018 was \$275,297 compared to \$84,427 for the year ended May 31, 2017. During the year ended May 31, 2018, the Company granted 3,850,000 (2017 – 1,350,000) stock options calculated using the Black-Scholes option pricing model.

Travel and promotion for the year ended May 31, 2018 was \$14,149 compared to \$28,198 for the year ended May 31, 2017. The decrease is a result of fewer trips to the Company's properties in the current year as compared to the previous year.

During the year ended May 31, 2018, the Company recorded a gain on accounts payable and accrued liabilities of \$820 (2017 - \$Nil).

During the year ended May 31, 2018, the Company recorded a reversal of withholding tax liability of \$Nil (2017 - \$259,670).

For the three months ended May 31, 2018 and May 31, 2017

Operating expenses

The net loss for the three months ended May 31, 2018, was \$253,099 as compared to a loss of \$221,646 for the period ended May 31, 2017.

Marketing for the period ended May 31, 2018 was \$21,658 compared to \$Nil for the period ended May 31, 2017. The increase in marketing expenses is a result of the addition of a new marketing consultant in the current year.

Share-based payments for the period ended May 31, 2018 was \$59,807 compared to \$84,427 for the period ended May 31, 2017. During the current period the Company granted 700,000 (2017 – 1,350,000) stock options calculated using the Black-Scholes option pricing model.

Summary of Selected Highlights for the Last Eight Quarters

Description	May 31, 2018	February 28, 2018	November 30, 2017	August 31, 2017
Total revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net income (loss)	(253,099)	(146,127)	(271,212)	(106,225)
Basic income (loss) per share	(0.00)	(0.01)	(0.00)	(0.00)

Description	May 31, 2017	February 28, 2017	November 30, 2016	August 31, 2016
Total revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net income (loss)	(221,646)	(96,455)	169,277	(85,206)
Basic income (loss) per share	(0.00)	(0.00)	0.00	(0.00)

Significant Occurrences in Quarters

During the three months ended May 31, 2018 the Company recorded share-based payments of \$59,807 and marketing expenses of \$21,658.

During the three months ended February 28, 2018 the Company recorded share-based payments of \$21,167 and marketing expenses of \$19,461.

During the three months ended November 30, 2017, the Company recorded share-based payments of \$176,869.

During the three months ended August 31, 2017, the Company recorded share-based payments of \$17,454 and wrote-off current liabilities of \$26,308.

During the three months ended May 31, 2017, the Company recorded share-based payments of \$84,427.

During the three months ended November 30, 2016, the Company recorded a settlement of withholding liability of \$259,670.

INDUSTRY AND ECONOMIC FACTORS

The Company's future performance is largely tied to the outcome of its exploration programs, the price of precious and base metals, and the overall health and stability of junior capital markets, inclusive of the TSX Venture Exchange. The financial markets, upon which the Company is reliant, are subject to potential volatility, reflective of investor anxiety with regard to the strength and longevity of the global economy, global growth prospects, and their associated impact upon liquidity, security and return. This uncertainty has led to continued volatility in commodity markets.

Furthermore, unprecedented uncertainty in the credit markets has also led to increased difficulties in accessing capital. Junior exploration companies worldwide at times have been hit particularly hard by these trends. Accordingly, the Company may have difficulty raising additional equity financing for the purposes of gold and other precious mineral exploration without significantly diluting the position of its current shareholders.

LIQUIDITY AND SOLVENCY

At this time, the Company has no operating revenues and does not anticipate any operating revenues until the Company is able to find or acquire and place in production an operating mining property. Historically, the Company has raised funds through loans, shares for debt settlements, private placements and the exercise of options and warrants.

During the year ended May 31, 2018:

- 2,300,000 stock options were exercised for proceeds of \$115,000.
- 1,947,500 warrants were exercised for proceeds of \$116,850.
- 7,044,950 shares were issued in a private placement for proceeds of \$422,697.

Subsequent to May 31, 2018, the Company received proceeds of \$40,260 from the exercise of 671,000 warrants.

Management is still working on raising additional capital, as further financing is required to continue with the Company's exploration and development plans as well as to pay for office and other administrative expenses. Management is constantly actively seeking additional financing, and while it has successfully done this in the past, there is no assurance that it will continue to be able to do so in the future. The Company's ability to continue as a going concern depends on management's continual success in raising funds.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, confirmation of the Company's interest in the underlying mineral claims and leases and upon the future profitable operation of or obtaining sufficient proceeds from the disposition of its mineral properties.

The market price of metals is highly speculative and volatile. Instability in metal prices may affect the interest in mining properties and the development of and production from such properties. Any down turn may adversely affect the Company's ability to raise capital to explore existing or new mineral properties.

The Company has incurred losses since inception. As at May 31, 2018, the Company has a working capital of \$93,603 (May 31, 2017 – \$300,237), and management must continue to be successful in raising financing. Failing that, the Company faces a serious threat of insolvency and its ability to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

OUTSTANDING SHARES, STOCK OPTIONS, AND WARRANTS

As at the date of this report, the Company had the following outstanding:

- 83,555,916 common shares.
- Stock options

Number of Options	Exercise Price (\$)	Expiry Date
2,700,000	0.05	May 19, 2021
300,000	0.05	April 17, 2022
100,000	0.05	July 28, 2022
100,000	0.05	August 8, 2022
100,000	0.05	August 15, 2022
2,500,000	0.07	October 11, 2022
150,000	0.15	January 17, 2023
100,000	0.075	April 8, 2023
300,000	0.085	May 7, 2023
300,000	0.075	May 31, 2023
100,000	0.08	June 13, 2023
6,750,000		

- Warrants

Number of Warrants	Exercise Price (\$)	Expiry Date
14,291,500	0.06	April 10, 2019
7,334,950	0.10	December 14, 2019
21,626,450		

RELATED PARTY TRANSACTIONS

The Company incurred \$332,435 (2017 - \$174,894) to related parties during the year ended May 31, 2018 as follows:

- \$120,000 (2017 - \$Nil) in consulting fees to a former director and chief executive officer of the Company.
- \$120,000 (2017 - \$105,000) in consulting fees to a company owned by the Company's chief executive officer and director of the Company.
- \$15,000 (2017 - \$14,450) in consulting fees to a company controlled by a director of the Company.
- \$1,062 (2017 - \$Nil) in consulting fees to a company controlled by a director of the Company.
- \$72,000 (2017 - \$52,500) in professional fees to a firm where an officer of the Company is a partner.
- \$4,372 (2017 - \$2,944) in consulting fees to an officer of the Company.

As at May 31, 2018, the Company owed \$16,791 (2017 - \$1,962) to related parties as follows:

- \$3,079 (2017 - \$1,400) to a company controlled by a director of the Company.
- \$12,600 (2017 - \$562) to a firm where an officer of the Company is a partner.
- \$1,112 (2017 - \$Nil) to a company controlled by a director of the Company.

As at May 31, 2018, the Company advanced \$Nil (2017 - \$8,927) to a company controlled by a director of the Company.

During the period ended May 31, 2018, the Company granted 2,500,000 (2017 - \$Nil) stock options with a fair value of \$171,034 (2017 - \$Nil) to officers and directors of the Company.

RECENT ACCOUNTING POLICIES

Please refer to the May 31, 2018 consolidated financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the May 31, 2018 consolidated financial statements on www.sedar.com.

RISKS AND UNCERTAINTIES

The Company is engaged in the acquisition and exploration of exploration and evaluation assets. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is

dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

MANAGEMENT'S RESPONSIBILITY OF FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.