

CHAMPION BEAR RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Champion Bear Resources Ltd. (the "Company" or "Champion Bear") as at December 31, 2017 and for the year then ended in comparison to the same period in 2016.

This MD&A should be read in conjunction with the audited financial statements for the year ended December 31, 2017. These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A was prepared using information that is current as of April 16, 2018. Additional information relating to the Company is available on SEDAR at www.sedar.com.

COMPANY DESCRIPTION

The Company is a mineral exploration company focused exclusively on the historically prospective regions of the province of Ontario. The Company has assembled a large land position in the Dryden and Sudbury areas totaling almost 17,000 hectares. The Company's primary target is platinum group and precious metals and to a lesser extent, polymetallic base metal and pegmatite-hosted tantalum deposits. To date the Company has not received revenue from mining operations, and has not yet determined whether the cost of its properties are economically recoverable. No economic deposits have been identified and the Company is considered to be in the exploration stage.

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ANNUAL FINANCIAL SUMMARY

For the three years ended December 31			
	2017	2016	2015
Expenses	\$ 677,299	\$ 418,701	\$ 3,868,476
Other (income) loss	(16,086)	(7,983)	6,798
Net loss	661,213	410,718	3,875,274
Total comprehensive loss	661,213	410,718	3,875,274
Current assets	\$ 41,313	\$ 517,026	\$ 15,794
Property and equipment	21,031	25,838	32,093
Exploration and evaluation assets	6,000,019	5,668,443	5,665,861
Total assets	6,062,363	6,211,307	5,713,748
Current liabilities	\$ 2,346,846	\$ 1,971,182	\$ 1,575,579
Shareholder's equity	3,715,517	4,240,125	4,138,169
Total liabilities and shareholders' equity	6,062,363	6,211,307	5,713,748
Loss per share – basic and diluted	\$ 0.014	\$ 0.010	\$ 0.094

RESULTS OF OPERATIONS

Three months and year ended December 31

During the three months and year ended December 31, 2017, the Company incurred a net loss before income tax of \$195,148 and \$661,213 as compared to a net loss before income taxes of \$159,304 and \$410,718, respectively, for the comparative 2016 periods. During the three months and year ended December 31, 2017, the Company sold the investments and recognized a gain of \$8,170 and \$16,086, and a loss of \$2,763 and gain of \$7,983 for the year ended December 31, 2016 due to the change in fair value of the investments.

During the three months and year ended December 31, 2017, the Company recognized \$27,373 and \$119,205 of share-based compensation expense as compared to \$12,096 and \$31,305 for the comparative 2016 periods, respectively.

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General and administrative expenses totaled \$90,655 and \$255,679, for the three months and year ended December 31, 2017 as compared to \$78,279 and \$178,241 for the respective 2016 periods as detailed in the following table:

General and Administrative expenses	Three months ended December 31		Year ended December 31	
	2017	2016	2017	2016
Office and administration	\$ 11,361	\$ 8,079	\$ 60,600	\$ 35,374
Travel	490	290	9,461	1,612
Transfer agent and regulatory fees	7,684	2,910	27,033	27,025
Professional fees	71,120	67,000	158,585	114,230
	\$ 90,655	\$ 78,279	\$ 255,679	\$ 178,241

Professional fees increased in 2017 as compared to the 2016 recorded fees, due to an increase in accounting fees and legal fees related to general corporate matters.

Total share-based compensation expense was higher in the year ended December 31, 2017 compared to the same period in 2016 mainly due to stock options granted during the year.

Stock-based compensation expense	Three months ended December 31		Year ended December 31	
	2017	2016	2017	2016
Related to:				
Options granted in 2014	\$ -	\$ -	\$ -	\$ 2,676
Options granted in 2015	-	-	-	9,216
Options granted in 2016	1,570	12,096	19,768	19,413
Options granted in 2017	25,803	-	99,437	-
	\$ 27,373	\$ 12,096	\$ 119,205	\$ 31,305

In January 2017, the Company granted 806,700 stock options at an exercise price of \$0.17 to the President and Chairman of the Company, the Chief Financial Officer and one of the Company's directors. The options vest as to one-third thereof on each of the six, twelve and eighteen month anniversaries of the date of the grant. The fair value of the stock options granted was estimated to be approximately \$0.14 per option.

In December 2017, 145,000 stock options at an exercise price of \$0.12 were exercised and 585,000 at an exercise price of \$0.12 expired and the Company granted 730,000 stock options to the President and Chairman of the Company, the Chief Financial Officer and one of the Company's directors at an exercise price of \$0.18 per common share. The weighted average trading price at the time of exercise was \$0.16. The options vest as to one-third thereof on each of the six, twelve and eighteen month anniversaries of the date of the grant. The fair value of the stock options granted was estimated to be approximately \$0.18 per option.

The total number of options outstanding as at December 31, 2017 is 4,646,629 and (the date of this MD&A).

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LIQUIDITY AND CAPITAL RESOURCES

The Company is in the process of exploring its mineral property interests, which will require the Company to obtain financing, and has not yet determined whether its mineral properties contain reserves that are economically recoverable. To ensure the mineral claims remain in good standing, the Company has certain commitments to meet and if these commitments are not met the Company will lose their right to explore these mineral properties. Therefore, the Company's ability to continue as a going concern is dependent on its ability to obtain additional financing. The requirements to raise funds for general operating activities and current commitments will necessitate raising capital or disposing of assets. Should funds not be available, operations will be limited.

As at December 31, 2017, the Company has incurred cumulative losses of \$25,476,783 (December 31, 2016 – \$24,815,570) and has a working capital deficiency of \$2,305,533 (December 31, 2016 – \$1,454,156). The above conditions may cast significant doubt regarding the Company's ability to continue as a going concern. Additional financing will be required for the Company to continue operations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, adjustments would be necessary in the carrying values of assets and liabilities.

These matters raise significant doubt on the ability of the Company to continue to meet its obligations and continue as a going concern. Should the going concern assumption not be appropriate, certain asset and liability amounts would require adjustment and reclassification.

Based on exploration and administrative expenditures budgeted for 2018 and current commitments, the Company anticipates that it will be required to undertake additional measures to fund operations during the year. There is a risk that obtaining additional financing at the current share prices will have a dilutive effect on its current shareholders.

CAPITAL SPENDING

During the three months and year ended December 31, 2017 the Company incurred the following expenditures on its mineral properties as compared to the same 2016 periods:

	Three months ended December 31		Year ended December 31	
	2017	2016	2017	2016
Plomp Farm	\$ 34,777	\$ -	\$ 185,068	\$ 1,300
Eagle Rock	(156)	-	146,508	1,282
	\$ 34,621	\$ -	\$ 331,576	\$ 2,582

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COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Exploration expenditures

Pursuant to assessment work commitments, the Company is required to incur certain annual expenditures to ensure the claims remain in good standing. These agreements require the Company to make exploration expenditures, commencing at various anniversary dates of the mining claims, if the claims have not been converted to a mineral lease or put into production. The Ontario Ministry of Northern Development and Mines allows holders of mining claims to bank historical expenditures made by the mining claim holders and apply these against the expenditure requirements mining claim, or contiguous mining claims, in future periods. Should the minimum expenditure requirements not be satisfied and there are no available banked expenditure credit, the holder of a mining claim may apply for a one year extension to meet the applicable expenditure requirements approval of which is subject to the Ontario Ministry of Northern Development and Mines. The Company has the following minimum requirements with respect to its exploration properties:

	Eagle Rock	Plomp Farm	Other Properties
	\$	\$	\$
2018	2,400	-	-
2019	319,600	-	-
2020	325,600	16,000	5,600
2021	325,600	17,487	6,400
2022	325,600	27,087	6,800

As at December 31, 2017, the Company has \$54,088, \$382,508 and \$106,820 of banked expenditure credits which can be used to offset future expenditure requirements against the Eagle Rock property, Plomp Farm property and other properties, respectively.

SHARE CAPITAL

Common shares

As at December 31, 2017 the Company had 46,466,325 common shares outstanding. The Company issued 145,000 common shares in January 2018, and 749,945 in February 2018, increasing the common shares outstanding to 47,361,270 at the date of this MD&A.

RELATED PARTY TRANSACTIONS

The Company had the following related party transactions in the normal course of operations and measured at the exchange amount, which is the amount determined and agreed to by the related parties. There are no repayment terms for these related party transactions:

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Related party

- (1) Tomahawk Oil and Gas Limited, a private corporation controlled by Richard Kantor, the Company's Chairman and President
- (2) Richard Kantor, the Company's Chairman and President
- (3) Glen Oaks Accounting, a private corporation controlled by Audrey Och, the Company's Chief Financial Officer

Related party transactions

- (a) During the year ended December 31, 2017, consulting fees of \$300,000 (2016 - \$192,000), were billed by Tomahawk Oil and Gas Limited controlled by the Company's Chairman and President. In addition, office rent of \$36,000 (2016 - \$24,000) was paid to the Company's Chairman and President during the same period. Included in related party payables as at December 31, 2017 is \$983,968 (December 31, 2016 - \$823,072) payable to the corporation controlled by Richard Kantor and and \$119,100 to the Company's chairman and president (December 31, 2016 - \$81,300). These related party payables are due on demand.
- (b) During the year ended December 31, 2017, accounting fees of \$100,000 (2016 - \$60,000) were billed by the Chief Financial Officer of the Company. Included in related party payables as at December 31, 2017 is USD \$434,570 or \$545,168 (2016 - \$443,185), which includes a total of \$110,598 in foreign exchange, an unrealized foreign exchange gain of \$2,517 was recognized for the year ended December 31, 2017 (2016 - \$10,627 expensed). This related party payable is due on demand.
- (c) Included in related party payables as at December 31, 2017 is \$255,402, which are advances to the Company by Brad Butler, a director of the Company (December 31, 2016 - \$214,902). This related party payable is due on demand.
- (d) Included in related party payables as at December 31, 2017 is \$47,460, which is an advance to the Company by Frank Sutton, a shareholder of the Company (December 31, 2016 - \$47,460).
- (e) Included in related party payables as at December 31, 2017 is \$7,111, which are expenses incurred on behalf of the Company by Todd Dillabough, a director of the Company (December 31, 2016 - \$Nil).

The related party payables are unsecured non- interest bearing and are due on demand.

Key management personnel compensation: (1)

The remuneration of Directors, President, CEO and CFO was as follows:

	2017	2016
Consulting fees	\$ 300,000	\$ 192,000
Accounting fees	100,000	60,000
Stock based compensation (2)	119,205	31,302
	\$ 519,205	\$ 283,302

(1) Key management personnel included directors and officers.

(2) Represents the amortization of share based payments expense associated with the Company's share-based compensation plan granted to key management personnel.

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SELECTED QUARTERLY FINANCIAL INFORMATION

	2017			
	March 31	June 30	September 30	December 31
Net loss for the period (\$)	165,518	169,874	130,673	195,148
Net loss per share				
-- basic and diluted (\$)	0.00	0.00	0.00	0.00
Mineral property expenditures, net (\$)	74,251	153,574	69,130	34,621

	2016			
	March 31	June 30	September 30	December 31
Net loss for the period (\$)	68,441	91,865	91,109	159,303
Net loss per share				
-- basic and diluted (\$)	0.00	0.00	0.00	0.00
Mineral property expenditures, net (\$)	657	1,925	-	-

OUTLOOK

The Company's financial success is subject to, among other things, the availability of capital resources, the sources of which are not predictable. The Company's main source of funds since incorporation has been from the issuance of equity capital and divestiture of mining interests. The Company's ability to obtain financing to explore for mineral deposits on its properties is not assured; nor is there assurance that the expenditure of funds will result in the discovery of an economic mineral deposit. The Company is actively pursuing additional equity financing in order to discharge its current liabilities and meet its commitments.

Plomp Farm

The Plomp Farm Gold Properties are an advanced-stage exploration project located 20 kilometres west of Dryden, Ontario and consists of approximately 4,000 acres in two main claim blocks, owned 100% as patented and unpatented claims. The advanced-stage gold properties overlies 11 kilometres of favourable gold stratigraphy that also hosts the Goliath Gold deposit located approximately ~45km to the east -- owner Treasury Metals Inc. has commenced a Feasibility Study following 2 PEAs. The Company is currently focused on the western claim block that comprises approximately 2,900 acres with 125 drill holes and approximately 50,000 meters of drill core.

At Plomp Farm west area, the Company commenced in 2017 and completed the Initial Mineral Resource Estimate report based on the historical drilling data only in accordance with CIM Definition Standards incorporated in NI43-101 resulting in 107,000 oz of Inferred gold resource. The report quantified the gold deposit constrained to within 200 meters of the surface over a strike length of approximately 600 meters with a width of 15 meters. Drill core identifies an overall strike length in excess of 2,200 meters to depths of 900 meters with widths up to 70 meters. Currently, the Company is designing a 2018 capital plan that

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is intended to increase the identified gold resource of the deposit. The historical drilling activities created significant gaps in the data that will be addressed in phases for both new drilling and re-logging/re-sampling/re-interpreting approximately 50,000 meters of historical drill core with a specific focus on approximately 35,000 meters of un-split historical drill core. New drilling is anticipated in 2018 following the re-logging/re-sampling/re-interpreting project leading to an update of the Mineral Resource Estimate later in 2018. Geological modeling going forward will incorporate modern analogies that were not commonly known when the historical drilling occurred such as Hemlo, LaRonde, Goliath and Rainy River gold deposits in Canada.

The Company intends to raise equity funding in Q2 2018 to fund the Plomp Farm 2018 capital program. The Company continues to perceive value in the Plomp Farm property, intends to maintain the property in good standing, and will advance the 2018 capital program to generate the updated Mineral Resource Estimate report noted above.

Eagle Rock

The Eagle Rock Property is an advanced-stage exploration project located 65 kilometres south of Dryden, Ontario and consists of 58 staked claims held 100% by the Company. The Property overlies the Entwine Intrusion Complex which hosts the Campbell Zone Cu-Au-Pt-Pd occurrence as well as several other known sulphide occurrences.

In October 2011, a Technical Report was completed by Tetra Tech Wardrop on the Eagle Rock Property and recommend a two-phase \$2.0 million program designed to delineate the Campbell Zone mineralization as well as explore the new mineralized zones identified during the 2011 prospecting campaign. In June and July 2011, the Company summer field program resulted in the identification of two new sulphide zones believed to represent the extension of the Campbell Zone:

- 1) The new West Zone returned values of up to 0.95g/t Pt+Pd+Au and 0.46% Cu+Ni that define a broad zone of surface sulphide mineralization that extends over a strike of more than 300 metres; and
- 2) The new East Lake occurrence returned up to 0.73 g/t Pt+Pd+Au and 0.29% Cu+Ni, and 0.44 g/t Pt+Pd+Au and 0.26% Cu+Ni.

In 2017, the Company re-staked a number of mineral claims to maintain the significant contiguous 100% owned, Cu-PGE Eagle Rock Property located in NW Ontario, Canada. The Company intends to raise equity funding in 2018 to drill up to 2,000 meters of infill drill holes and then generate the Initial Mineral Resource Estimate report for the property anticipated to be completed in 2018.

Parkin Joint Venture

The Parkin Project is an advanced exploration project located 5 kilometres northeast of the Sudbury Basin with 2,018 acres of claims and covers a significant portion of the Parkin Offset Dike. The Company holds a 50% interest in the property and has a carried interest to production through a joint venture funded originally by Lonmin PLC ("Lonmin") with Wallbridge Mining Company ("Wallbridge") as operator. Wallbridge was required to complete exploration expenditures in excess of \$2,000,000 to earn a 50% interest in the property by August 19, 2011. Lonmin received a takeover bid by Sibanye Gold Limited ("Sibanye") in December 2017 that is proceeding. Some Parkin claims have recently shown Lonmin replaced by Glencore PLC ("Glencore") that may be related to a possible transfer of the joint venture funding obligation to Glencore that the Company has not been informed about. Currently, Wallbridge is conducting minor surface prospecting projects in and around these claims.

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Other Mineral Interests

The Company's Separation Rapids lithium property is located 55 km north of Kenora, northwest Ontario. The property consists of 17 mining claims in 2 blocks. The carrying value of this property at December 31, 2017 is \$ nil (2016 - \$nil).

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, accounts receivable, available-for-sale investments, accounts payable and accrued liabilities and due to related parties. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity, with the exception of the investments which are recorded at fair value at each period end date based on the observable market price of the securities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable relates to Goods and Services Tax input tax credits. Accordingly, the Company views credit risk on accounts receivable as minimal. The maximum exposure is the carrying value of cash and cash equivalents and accounts receivable.

The Company held cash and cash equivalents of \$23,458 at December 31, 2017, which represents its maximum exposure on these assets and is held with credit worthy financial institutions.

b) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company will require additional financing to discharge its liabilities and meet future commitments. The additional financing is not committed. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at December 31, 2017, the Company's financial liabilities were comprised of accounts payable and accrued liabilities which resulted in a working capital deficit of \$2,305,533.

c) Market risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company is exposed to market risks based on fair value for investments classified as available for sale that are traded in active markets.

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i) Currency risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the development stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollars. The Company has amounts due to related parties denominated in US dollars and as such are exposed to foreign currency exchange risk related to those transactions.

ii) Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollars, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

iii) Fair values

The Company's investments are classified as a level 1 financial asset. The fair value recognized at December 31, 2017 is \$nil.

CAPITAL MANAGEMENT

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

The Company's investment policy is to hold excess cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less which can be liquidated at any time without penalties.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended December 31, 2017.

OPERATIONAL AND BUSINESS RISKS

As a junior exploration mining company the Company's ability to raise the necessary equity proceeds for future exploration depends to a large degree on commodity price trends, general investor sentiment for companies in the junior mining exploration sector and the Company's ability to confirm the existence of sought after minerals in sufficient quantities and quality on its exploration lands. Management of the Company is of the view that the risks faced by the Company are no greater than the risks encountered by its peers.

The junior mineral exploration sector, along with the major producers and other industrial and financial sectors, has seen share prices decline significantly since the fall of 2016. Continued low market capitalization and lack of market liquidity, together with a less than receptive equity market for junior mining shares in the current market environment, could have a significant negative impact upon the Company's ability to finance ongoing exploration activities. In addition, if equity financing is obtained at current share prices, the current shareholders interests will be diluted.

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The ability of the Company to continue as a going concern and the recoverability of amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete their development and upon achieving future profitable operations.

ADOPTION OF RECENT ACCOUNTING PRONOUNCEMENTS:

(a) Recent accounting pronouncements:

The following new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements.

IFRS 9 *Financial Instruments* ("IFRS 9") eliminates the existing financial asset categories of held to maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition: financial assets measured at amortized cost; or financial assets measured at fair value. Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, for which an irrevocable election can be made to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual investment basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company will evaluate the impact of the change to its financial statements based on the characteristics of its financial instruments at the time of adoption.

IFRS 16, *Leases* ("IFRS 16") introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption, provided IFRS 15, has been applied, or is applied at the same date as IFRS 16. The Company is in the process of determining the impact of IFRS 16 on its financial statements.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates 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 results could differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods. However, actual outcomes can differ from these estimates. Management has made a number of significant estimates based on present conditions and management's planned course of action as well as assumptions about future business and economic condition which include, but are not limited to, the following:

- **Exploration and evaluation assets**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement in determining the existence of possible impairment indicators and whether the future economic benefits are likely, which are based on assumptions about future events or circumstances, including the Company's expectations of commercial feasibility, resource and reserve estimates and views of future commodity prices. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is

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written down to the estimated recoverable amount in profit or loss in the period when the new information becomes available.

- **Stock-based compensation**

Stock based compensation is accounted for using the fair market value method. Under this method, stock option expense is determined by the Black-Scholes option pricing model using the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, estimated forfeiture rates the fair value of the Company's stock and the risk-free interest rate. Differences in the estimation process for the determination of the assumptions used could cause differences in the determination of fair value.

- **Recovery of deferred income tax assets**

Judgement is required in determining whether deferred income tax assets are recognized on the statement of financial position. Deferred income tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized.

DISCLOSURE CONTROLS and PROCEDURES

The Company's certifying officers file Venture Issuer Basic Certificates with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a 'Notice to Reader' stating that the certifying officers do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking statements, which are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. The Company is a mineral exploration company and is exposed to a number of risks and uncertainties that are common to companies in the same business. These risks and uncertainties include, among other things, the speculative nature of mineral exploration and development activities, the Company's need for additional funding to continue its exploration efforts, operating hazards and risks incidental to mineral exploration, the Company's properties are in the exploration stage only and do not contain a known body of commercial ore, uncertainties associated with title to mineral properties, changes in general economic, market and business conditions; competition for, among other things, capital, acquisitions of mineral properties and skilled personnel; ability to obtain required mine licenses, mine permits and regulatory approvals required to proceed with mining operations; ability to comply with current and future

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environmental and other laws; actions by governmental or regulatory authorities including increasing taxes and changes in other regulations; and the occurrence of unexpected events involved in mineral exploration, development and production.

SUBSEQUENT EVENTS

In December 2017 key management personnel of the Company exercised 145,000 vested stock options under the share purchase option compensation plan (*see Note 9 c*), and the Company received full consideration thereof prior to year-end. Subsequent to December 2017, 145,000 common shares were issued as a result of the exercise of vested options. Options were exercised at an average price of \$0.12 per share.

Subsequent to December 31 2017, key management personnel of the Company exercised 749,945 vested stock options under the share purchase option compensation plan and the Company received full consideration of \$56,321. The Company issued 749,945 common shares as a result of the exercise of vested options.

Subsequent to December 31 2017, the Company granted 1,500,000 stock options at an exercise price of \$0.15 to the President and Chairman of the Company, the Chief Financial Officer, one of the Company's directors and one of the Company's consultants.