



**MANAGEMENT DISCUSSION & ANALYSIS**

**FOR THE YEAR ENDED**

**AUGUST 31, 2017**

**ABE Resources Inc.**

MD&A for the year ended August 31, 2017

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**SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS**

The following Management Discussion & Analysis («MD&A»), dated November 24, 2017, is to be read in conjunction with the consolidated audited financial statements of ABE Resources Inc. (the «Company» or «ABE») for the years ended August 31, 2017 and 2016 as well as with the accompanying notes. The consolidated financial statements are prepared under the International Financial Reporting Standards (IFRS). Unless otherwise indicated, all amounts are expressed in Canadian dollars. The objective of this MD&A is to allow the reader to assess our operating and exploration results as well as our financial position for the year ended August 31, 2017 compared to the previous year.

The Company discloses, on a regular basis, additional information on its operations, which is recorded on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada at: [www.sedar.com](http://www.sedar.com).

**FORWARD-LOOKING STATEMENT**

This document may contain forward-looking statements that reflect management's current expectations with regards to future events. Such forward-looking statements are subject to certain factors and involve a number of risks and uncertainties. Actual results may differ from expected results. Factors that could cause our results, our operations and future events to change materially compared to expectations expressed or implied by the forward-looking statements include, but are not limited to, volatility in the metal prices, risks inherent to the mining industry, uncertainty regarding the mineral resource estimation and additional funding requirements and the Company's ability to obtain such funding.

**INCORPORATION, NATURE OF OPERATIONS AND ONGOING EXPLOITATION**

ABE Resources Inc., incorporated under the *Canada Business Corporation Act*, is a mineral resources exploration company, and the head office is based in Val-d'Or, Quebec. The exploration sites are located mainly in the province of Quebec in Canada. During the year, the Company focused its activities on business opportunities and exploration project generation (R&D) in order to focus the Company towards commodities and industrial minerals, including precious metals and high-tech metals.

The Company does not have any producing property. Recovery of the cost of mining assets is subject to the discovery of economically recoverable reserves, the Company's ability to obtain the financing required to pursue exploration and development of its properties, and profitable future production or the proceeds from the sale of its properties. The Company must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, there can be no assurance that it will continue to do so in the future.

The shares of the Company are listed on the TSX (Venture Exchange) and traded under the symbol ABE.

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### **HIGHLIGHTS OF 2017**

#### **Summary of Exploration**

On April 20, 2017, the Company's shareholders passed a special resolution approving the consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every 2 pre-consolidation shares.

On April 20 2017, the Company obtained the approval of the TSX-Venture Exchange to proceed to the consolidation and the Company's shares began trading on a consolidated basis April 26, 2017. The outstanding common shares were reduced from 11,510,944 to 5,755,490 to reflect the impact of the common share consolidation.

The company engaged expenses for exploration of properties during the year ended August 31, 2017 for an amount of \$49,276 (zero in 2016) before credit tax. In the consolidated financial statements, those exploration costs are presented net of exploration tax credits. Furthermore, property evaluation expenditures of \$7,746 were accounted directly to profit or loss compared to \$6,790 for fiscal year 2016.

#### **Acquisition of Pioneer Resources, 2:1 share consolidation, \$2.25-Million private placement and debt settlement**

On May 11<sup>th</sup> 2017, the Company announced the closing of its acquisition (the “**Acquisition**”) of all of the issued and outstanding shares of Pioneer Resources Inc. (“**Pioneer**”), a related debt settlement transaction (the “**Debt Settlement**”), and a non-brokered private placement of 45,000,000 units of ABE (the “**Units**”) at a price of \$0.05 per Unit for aggregate gross proceeds of \$2,250,000 (the “**Private Placement**”). In connection with the Private Placement, the Company also completed a 2:1 consolidation of its issued and outstanding securities (the “**Consolidation**”). Effective as of the opening of markets on May 12, 2017, the issued and outstanding common shares of ABE will commence trading on the TSX Venture Exchange (the “**Exchange**”) on the basis of one post-Consolidation common share (a “**Share**”) for every two pre-Consolidation common shares held.

#### **Acquisition**

Pursuant to the terms and conditions of a share exchange agreement entered into between ABE, Pioneer, and the shareholders of Pioneer, dated May 11, 2017, an aggregate of 5,500,000 shares were issued to the Pioneer shareholders, at a deemed price of \$0.37 per share, in exchange for all of the issued and outstanding common shares in the share capital of Pioneer (the “**Pioneer Shares**”) for a total of \$2,035,000.

#### **Debt Settlement**

In connection with the Acquisition, the Company issued an additional 2,918,080 shares at a deemed price of \$0.37 per share for a total of \$1,079,690 to settle an outstanding indebtedness of Pioneer owed to certain current officers, directors, and shareholders of Pioneer (the “**Debt Settlement**”). An amount of \$933,783 was recorded in net income as a loss on settlement of debts following this transaction.

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As a result, an aggregate of 8,418,080 shares at a deemed price of \$0.37 per share were issued pursuant to the Acquisition and the Debt Settlement.

### **Private Placement**

Each Unit sold under the private placement consists of one share and one share purchase warrant (a “**Warrant**”), with each Warrant entitling the holder thereof to acquire one share at an exercise price of \$0.15 per share for a period of 24 months.

In connection with the Private Placement, the Company paid a finder’s fee to certain registered dealers in respect of purchasers introduced to the Company. The finder’s fee consisted of a cash payment equal to 6% of the gross proceeds from Units sold through the finders.

The proceeds of the Private Placement will be used to pay the costs of the transactions described in this news release (collectively, the “**Transactions**”) and to carry out exploration work on Pioneer’s mining properties, which consist of approximately 200 map-designated claims totaling 10,635.08 hectares known as the Dôme Lemieux property, located near the town of Ste-Anne-des Monts, in the province of Quebec.

A technical report in respect of the Dôme Lemieux property prepared in accordance with *Regulation 43-101 respecting Standards of Disclosure for Mineral Projects* (Quebec) has been filed and is available under ABE’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Consolidation**

The number of issued and outstanding securities of ABE after giving effect to the Private Placement, the Acquisition, and the Debt Settlement, on a pre-Consolidation basis, consists of 118,947,140 common shares, 92,000,000 common share purchase warrants, and 550,000 incentive stock options. On a post-Consolidation basis, the Company has 59,473,570 Shares, 46,000,000 share purchase warrants, and 275,000 incentive stock options outstanding.

The new CUSIP number for the Shares is 00288T208 and the new ISIN is CA00288T2083.

A letter of transmittal in respect of the Consolidation was mailed to registered shareholders of the Company in December 2016. All registered shareholders of ABE with physical certificates should send their respective certificates representing pre-Consolidation common shares along with a completed letter of transmittal to the Company’s registrar and transfer agent, Computershare Investor Services Inc. (“**Computershare**”), in accordance with the instructions provided in the letter of transmittal. Additional copies of the letter of transmittal can be obtained through Computershare (Corporate Actions: 1-800-564-6253). All shareholders who submit a duly completed letter of transmittal along with their respective pre-Consolidation common share certificate(s) to Computershare will receive a post-Consolidation share certificate or Direct Registration System (DRS) Advice, as applicable.

Fractional Shares will not be issued to shareholders. Where the Consolidation would otherwise result in a shareholder being entitled to a fractional Share, the number of Shares issued to such shareholder shall be rounded up to the next greater whole number of Shares if the fractional entitlement is equal to or greater than 0.5 and shall be rounded down to the next lesser whole number of Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all pre-Consolidation common shares registered in the name of, or beneficially held by, the respective holder or its nominee shall be aggregated.

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**Election of Victor Cantore**

Mr. Victor Cantore, the President of Pioneer, was elected as director of ABE subject to, and effective upon, completion of the Acquisition at the annual general and special meeting of the Company's shareholders held on December 22, 2016.

Mr. Cantore began his investment career in 1992 as an advisor for Tasse & Associates. In 1993 he moved to RBC Dominion Securities, one of the largest brokerage firms in Canada. Since 1999, Mr. Cantore has worked with both public and private companies organizing and structuring financings mainly in the resources and high tech sector. He has held directorships on the boards of directors of various private and public companies, including Amex Exploration Inc. (TSXV: AMX), Margaux Red Capital Inc. (TSXV: MXC) and Nitinat Minerals Corporation (TSX: NZZ).

The Shares and Warrants comprising the Units (collectively, the "**Securities**") and the Shares issued pursuant to the Acquisition and the Debt Settlement are subject to a hold period of four months and one day from their date of issuance under applicable Canadian securities laws.

The Securities have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or state securities laws, and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons, absent such registration or an exemption therefrom.

The Acquisition, the Debt Settlement, and the Private Placement got the final approval of the Exchange.

**Financial results**

Since the Company focuses on the development of its exploration and evaluation assets, its revenues, mainly finance income, are not sufficient to cover its operational costs. Without any other available sources of revenue, the Company is unprofitable. During the year, the Company maintained a tight control of its other expenses.

The loss for the period of \$1,885,497 reflects the current activities of the Company.

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**MINING PROPERTIES**

*The technical information in the following section was reviewed by Yves Rougerie, geologist and President & CEO of ABE. Mr. Rougerie is a Qualified Person as per the definitions of National Instrument 43-101.*

The Company has an interest or option to acquire an interest in the following properties:

Name	Status	Notes	Royalties
Dôme Lemieux	Wholly owned	Recently acquired in the transaction to acquire Pioneer Resources	Nil
Epsilon	Wholly owned	Option completed in April 2009	2%
St. Stephen	50% Joint Venture	Indiana Resources (previously IMX Resources of Perth), Australia also has a 50 % interest in this property and is the JV operator	Nil

Following the acquisition of Pioneer Resources and the closing of a \$2.25M financing, the Company has initiated compilation work on the Dome Lemieux property, to be followed by a comprehensive exploration program. The Company is also actively researching other possible property acquisitions to enhance shareholder value going forward.

**The Dôme Lemieux property**

The information in this section has been excerpted from “43-101 Technical report pertaining to the Dôme Lemieux property” by Donald Théberge, Eng. MBA and dated December 6<sup>th</sup>, 2016. The report can be accessed either on the Company’s website or on SEDAR.

The Dôme Lemieux property is made up of 217 map-designated claims totalling 11,599.84 ha or roughly 115.99 km<sup>2</sup>. Recently 17 more cells have been designated for a total of 964.76 ha, they are still pending for their acceptance by the MERNQ (the Quebec Ministry of Natural Resources). The property is located in eastern Québec in the Gaspésie region, approximately 32 km SSE of the town of Sainte-Anne-des-Monts, Québec, as the crow flies. Access is very easy by way of the main road that cuts across the Gaspé peninsula and the National Park of the same name. Route 299 goes from Sainte-Anne-des-Monts to New-Richmond and crosses the east part of the property in a N-S direction. The property is located just to the south of the National Park boundaries. Numerous logging and prospecting roads and trails branches off Route 229 and provide access to the remaining parts of the property.

**Geology**

The Dôme Lemieux property is part of the Appalachian geological province, in the Gaspésie region. The rocks are divided in three lithostratigraphic packages: the Cambro-Ordovician, the Siluro-Devonian and the Carboniferous-Permian. The property is located in the Siluro-Devonian, an assemblage of sedimentary and volcanic rocks deposited in a basin that succeeded the Taconian Orogen. This assemblage is named the Gaspé Belt; the property lies in the Connecticut Valley – Gaspé Synclinorium, which is part of the Gaspé Belt.

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The Dôme Lemieux area and the property, are underlain by the St-Leon and Forillon sedimentary formations, while the Shiphead, Indian Cove and York River formations are located at the periphery of the dome. The property is located in the structural corridor that hosts the Madeleine mine, which produced 8,134,000T @ 1.08% Cu and 9.0 g/t Ag prior to 1982, the Gaspé Copper Mine in Murdochville, which produced 141,655,000T @ 0.85% Cu from 1955 to 1999, and the Sullipek deposit, which has estimated historical resources of 1.84MT @ 1.39% Cu.<sup>1</sup> These three mines are outside the property and respectively located 18 km to the NNE and 50 km to the ENE, and 15 km to the E, as the crow flies. Please note that the results obtained at the Madeleine Mine and at the Gaspé Copper Mine are not an indication of the mineralization present on the Dôme Lemieux property.

<sup>1</sup> All production numbers are from the Sigeom website [www.sigeom.gouv.qc.ca](http://www.sigeom.gouv.qc.ca), Historical resources for Sullipek are not categorized and are also from the Sigeom website.

The Dôme Lemieux property is characterized by a buried intrusive that forms a dome where the sedimentary formations have been eroded. Most of the York River, York Lake and Indian Cove formations have been eroded over the dome and preserved on the periphery of the dome. Structurally, the heart of the property, which is the Lemieux Dome, is cut by a network of regional faults that strike NE-SW to NW-SE, effectively dividing the property in structural blocks.

### **History**

Following the discovery of zinc and lead mineralization by two prospectors in 1909, the Quebec Government completed a geological survey of the area in 1910, but the first report, a summary report on the north central part of the Gaspé Peninsula by I.W. Jones, was only published in 1933. Since that time, more than 60 reports on large-scale and detailed studies have been published, covering the geology, rock geochemistry, soil geochemistry and geophysical surveys.

Since the discovery of the Federal Vein in 1909, the area covered by the property has been explored almost continuously, with work by at least 25 different companies. Over the years, more than 20 showings have been discovered and sampled and in many cases drilled. Three of them, mineralized in zinc and lead, were explored by underground workings:

- The Federal Mine, with at least two shafts, and development on two levels, probably produced a small amount of ore during WWII, but no production statistics are available;
- The Big Pioneer was also the object of underground workings, with two shafts, and limited lateral development, but no production;
- The South Brandy was explored by an adit, followed by crosscutting, drifting and raising, but once again, no production took place.

Many holes were drilled on these three deposits before, during and after the underground workings. Other mineralized zones discovered on the property were also explored by trenching, sampling and in many cases drilling. In fact, over the whole property and its immediate vicinity, about 270 holes were drilled, for a total of more than 66,000 m.

## **Mineralization**

On the property, the following mineral zonation can be observed from historical work:

- *Sphalerite-galena-pyrite*: This mineral assemblage is found in the south part of the property and includes the Federal Mine and the Brandy South Veins, plus several other showings;
- *Sphalerite-galena-pyrite-chalcopyrite*: This zonation is found in the middle and west part of the property, and includes such showings as Veine à René, Lead Vein, Brandy West and Big Pioneer;
- *Hematite-pyrite-chalcopyrite*: This association is found in the north part of the property, with the Mont de la Brèche, Hattie, Eagle-Gaspésie, Hole 88-GG-01 showings, plus several others.

The mineralization presents different characteristics that are likely related to different genesis. The Pb-Zn rich veins in the south part of the property and the Cu-Pb-Zn rich veins in the north part of the property can be related to a low sulphidation epithermal vein system. This kind of deposit is usually observed at the periphery of a skarn, manto or *porphyry type copper deposit*.

In the middle and the north part of the property, skarn and hornfels type rocks have been intersected by several drill holes. They revealed a mineralization more typical of a skarn or porphyry copper, with a low copper grade over fairly wide intersections, like the Eagle Gaspésie showing, with 1.67% Cu over 12.2 m in a hole drilled by Noranda in 1956, and Hole 88-GG-01 drilled 500 m east of the Hattie showing, which returned a number of intersections grading more than 1% Cu.

In report RG 2007-02, Pilote *et al* point out the possibility of a late IOCG<sup>2</sup> type mineralizing event. This lode type mineralization made up of hematite-magnetite-pyrite-chalcopyrite in quartz breccias collides and intersects with the low sulphidation epithermal vein system. Several mineralizing events can thus be superimposed on the property, which increases the discovery potential.

At least one other type of mineralization may also occur, and should be considered: Carlin type gold deposits. Until now, only a few assays returned gold grades higher than 1 g/t. In the past, however, most of the historical assays reported were not assayed for gold and in many cases silver, and the Lemieux Dome area was not considered fertile for gold. In the Carlin type of deposit, the gold is “invisible” in the limestone, because the particles are too small (< 1 micron).

## **Recent work**

At this time, ABE Resources has not yet done any exploration on the property. In 2015 Pioneer Resources, recently acquired by ABE proceeded to a review of historical drilling completed by Threegold on the Big Pioneer, Vein #6, Véronique, Guillaume, Eagle Gaspésie and Ruisseau de l'Anomalie showings. All core drilled on these showings was reviewed and 118 samples were taken then analyzed. The new results obtained were integrated in the database with the previous results. On Big Pioneer, several holes were stopped too short and ended in the mineralized zone. On the Dionne group of showings (Dionne, Vein #6, Véronique and Guillaume), many holes were stopped in altered rocks (epidotized and hematized).

Mineralization on Eagle Gaspésie was located in the York Lake/York River formations as opposed to the Shiphead formation for the preceding showings. Two holes, one by Threegold and the other historical drilled in 1988, defined the Ruisseau de l'anomalie. In 1988, many intersections revealed >2% Cu, the Threegold hole drilled 51 m south and 180 m west of the 1988 hole failed to confirm the Cu results.

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<sup>2</sup> IOCG: Iron Oxide Copper Gold, but in this case apparently without the gold component.

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ABE has not done any drilling since acquiring the property, and there are no adjacent properties that could have a material impact on the Dome Lemieux property.

**Conclusion and Recommendations**

The Dôme Lemieux property has a rich history of low grade to high grade lead, zinc and copper discoveries. In the past, companies have worked what is now the Dôme Lemieux property one small block at a time, without having a view of the entire mineralization and structural system. The emphasis was almost exclusively on the search for base metals, with the gold and silver potential largely ignored. Now ABE owns the entire area and has the opportunity to work and understand the property as a whole mineralizing system, which in fact raises the potential for a major discovery. Based on all observations, the author of the 43-101 report strongly recommends that exploration resume on the property.

A full picture of the property in terms of geology, and geophysics is required to properly explore its potential. A two-phase program is recommended to achieve this. Recommendations for Phase I are:

- Verification and assaying if necessary of the remaining 63 holes drilled by Threegold;
- Geological compilation of trenches, analyses and geological surveys, integrated in a GIS<sup>3</sup>;
- Compilation of the geophysical surveys, airborne and ground;
- Core shack reorganization, (moving the core to new location, core shack organization etc);
- Geophysical tests, I.P and H.L.E.M<sup>4</sup>, on known showings;
- Updating of the NI 43-101 report.

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<sup>3</sup> GIS : Geographical information system.

<sup>4</sup> I.P : Induced polarization, H.L.E.M : Horizontal loop electromagnetic

**ABE Resources Inc.***MD&A for the year ended August 31, 2017***Epsilon Property**

The Epsilon property comprises 51 claims covering 2,693.51 hectares and is located approx. 300 km northeast of Chibougamau, Québec. The Company completed the acquisition of an undivided interest in the property in April 2009. The Company has exploration credits exceeding \$1.5M on the property. The original property contained 104 claims covering 5,457 hectares but was reduced in size in the most recent claims renewal. The Epsilon property has four surface-exposed, significant uranium-gold targets and numerous secondary targets as well. The potential for discovery of U-Au deposits on the property is considered high. Unfortunately, a de-facto moratorium on uranium development in Quebec has limited exploration to a bare minimum in the last several years and puts into question the validity of keeping and renewing the claims.

**St-Stephen property**

The St. Stephen property comprises 189 claims located near the town of St. Stephen in the southwest corner of New Brunswick. ABE staked the property in 2004 and 2005 and there are no underlying royalties. Indiana Resources (previously IMX Resources) has acquired an initial 50% interest in the property following a 4-year, million dollar expenditure on the claims. Indiana is the operator of the joint venture.

The property hosts numerous historic zones of magmatic Ni-Cu-Co mineralization, including several significant occurrences. The most significant zones are found at the Roger's Farm deposit which was the object of underground development and exploration in 1959-1960. IMX drilled several historic and newly discovered zones and has expanded and enhanced their potential. The recent uptick in cobalt prices may reinvigorate interest in this property.

**SELECTED ANNUAL FINANCIAL INFORMATION**

	<b>Year ended August 31, 2017</b>	<b>Year ended August 31, 2016</b>
	<b>\$</b>	<b>\$</b>
Finance cost	<b>214,286</b>	463,541
Operating expenses	<b>1,671,211</b>	261,747
Net loss for the year	<b>(1,885,497)</b>	(725,288)
Other comprehensive loss	<b>196,456</b>	514,817
Total comprehensive loss for the year	<b>(1,689,041)</b>	(210,471)
Basic and diluted net loss per share	<b>(0.08)</b>	(0.13)
Weighted average number of shares in circulation	<b>22,329,942</b>	5,755,490

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	Statement of financial position as at August 31, 2017 \$	Statement of financial position as at August 31, 2016 \$
Cash	1,990,128	41,908
Total assets	4,447,285	197,449
Current liabilities	691,623	581,896
Working capital	1,394,634	(384,447)
Net equity	3,755,662	(384,447)

**QUARTERLY FINANCIAL INFORMATION SUMMARY**

Quarter	Finance cost \$	Operating expenses \$	Write-off of exploration and evaluation assets \$	Gain (loss) for the period \$	Gain (loss) per share \$
2017-08-31	-	405,598	2,675	(405,598)	(0.02)
2017-05-31	62,071	1,125,789	-	(1,187,860)	(0.06)
2017-02-28	56,623	49,456	-	(106,079)	(0.00)
2016-11-30	95,592	90,368	-	(185,960)	(0.00)
2016-08-31	-	81,672	7,050	(81,672)	(0.01)
2016-05-31	-	44,789	2,675	(44,789)	(0.00)
2016-02-28	306,300	57,291	-	(363,591)	(0.03)
2015-11-30	157,241	77,995	-	(235,236)	(0.02)

**Results of operations**

During the year ended August 31, 2017, the Company reported a net loss of \$1,885,497 (or \$0.08 per share) compared to a net loss of \$725,288 (or \$0.13 per share) as at August 31, 2016.

Operational expenses decreased by \$1,409,464 to \$1,671,211 (\$261,747 in 2016).

The Company engaged exploration and evaluation expenses of \$7,746 for the year ended August 31, 2017 (\$6,790 in 2016). All expenses were engaged in totality in Canada. Most of the expenses represent geology costs.

The finance cost amounted of \$214,286 (\$463,541 in 2016) corresponds to the impairment loss realized on the disposition of investments and is detailed as follows:

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Name of title	2017				2016			
	Number sold	Proceeds of disposition	Cost	Actual loss	Number sold	Proceeds of disposition	Cost	Actual loss
		\$	\$	\$		\$	\$	\$
Bonterra Resources Inc.	-	-	-	-	34,000	6,090	122,109	116,019
Balmoral Ressources Inc.	-	-	-	-	35,800	18,921	60,143	41,222
Orla Mining Ltd (formerly Ressources Pershimco Inc.)	281,705	124,194	338,480	214,286	550,000	66,050	372,350	306,300
<b>Total</b>	<b>281,705</b>	<b>124,194</b>	<b>338,480</b>	<b>214,286</b>	<b>619,800</b>	<b>91,061</b>	<b>554,602</b>	<b>463,541</b>

The Company still applies a tight control on its expenses in order to preserve its cash.

**Statements of financial position**

As at August 31, 2017, the Company had total assets of \$4,447,285 compared to \$197,449 as at August 31, 2016. This increase of \$4,249,836 is described in the following paragraphs:

*Short term assets*

The short term assets amount to \$2,086,257 as at August 31, 2017 compared to \$197,449 as at August 31, 2016. They are mainly composed of the cash at \$1,990,128, the guaranteed investment certificate at \$50,000, the tax credit receivable at \$6,271 and prepaid expenses at \$31,797 compared to respectively \$41,908, \$3,440 and \$6,284 as at August 31, 2016. The increase in cash mainly reflects the private placement of \$2,250,000.

*Exploration and evaluation assets*

The increase in exploration and evaluation assets of \$2,357,245 represents the acquisition on May 11, 2017 of Dôme Lemieux property following the acquisition for all issued and outstanding shares of Pioneer, which operates principally in Québec.

The following tables detail the allocation of the exploration expenditures between the properties:

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**Details of exploration works per property:****For the year ended August 31, 2017**

Description	Dôme Lemieux \$	St-Stephen \$	Epsilon \$	Total \$
<b>Balance as at August 31, 2016</b>	-	-	-	-
Additions				
Surveying and access roads	-	-	2,500	2,500
Geology	31,781	-	3,287	35,068
General expenses	1,869	-	-	1,869
Duties, taxes and permits	2,060	-	-	2,060
Amortization	130	-	-	130
Rémunération à base d'actions	7,649	-	-	7,649
<b>Sub-total</b>	<b>43,489</b>	<b>-</b>	<b>5,787</b>	<b>49,276</b>
Tax credit	-	-	(2,074)	(2,074)
<b>Net expense for the year</b>	<b>43,489</b>	<b>-</b>	<b>3,713</b>	<b>47,202</b>
<b>Balance as at August 31, 2017</b>	<b>43,489</b>	<b>-</b>	<b>3,713</b>	<b>47,202</b>

For the year ended August 31, 2017, the Company invested \$49,276 in exploration work before tax credits. The works engaged on the properties were mainly for geology \$35,068.

*Liabilities*

As at August 31, 2017, current liabilities were \$691,623 compared to \$581,896 as at August 31, 2016. The increase of \$109,727 reflects the current activities of the Company and the liabilities assumed following the acquisition for all issued and outstanding shares of Pioneer.

Provisions relate to various taxation claims. The Company is not eligible for any reimbursement by third parties in this regard. Usually, these claims are settled between three and eighteen months from initiation, depending on the procedures used for negotiating the claims. As the timing of settlement of these claims is to a large extent dependent on the pace of negotiation with various counterparties and governmental authorities, the Company cannot reliably estimate the amounts that will eventually be paid in settlement after more than twelve months from reporting date. Therefore, the amount was classified as current. During the year ended in 2017, the Company paid an amount of \$133 to his shareholders and the provision was increased by an amount of \$31,300.

Management, on the advice of counsel, does not expect that the outcome of any of the remaining cases will give rise to any significant loss beyond the amounts actually recognized. None of the provisions will be discussed here in further detail so as to not seriously prejudice the Company's position.

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### *Equity*

As at August 31, 2017, shareholders' equity was \$3,755,662 compared to (\$384,447) for the year ended August 31, 2016. The increase of \$4,140,109 reflects the acquisition of for all issued and outstanding shares of Pioneer for \$2,035,000, the settlement of debts of Pioneer for \$1,079,690, the private placement of \$2,250,000, the exercise of warrants for \$69,000, the exercise of options for \$56,000, the market value of the Company's investments for \$17,830 and the current activities of the Company.

During the year of 2017, options were awarded and the value accounted for these options totalled \$386,051 and is presented in Contributed surplus. For the previous year, the value accounted for these options totalled \$3,066.

### **Cash Flows**

Cash flows used in *operating activities* were \$378,440 and \$220,912 respectively for the years ended August 31, 2017 and 2016. These cash flows are the net loss of each year adjusted for cash and non-cash items from operating activities. In 2017, non-cash items with positive impact on the cash flows totalled \$1,560,446 from which \$933,783 is related the loss on settlement of debts, \$214,286 is related to the write-off of exploration and evaluation assets and \$378,402 is related to the share-based payments. In 2016, non-cash items with positive impact on the cash flows totalled \$513,925 from which \$463,541 is related to fair value fluctuation on available-for-sale financial assets reclassified to profit or loss, \$26,881 is related to provision for compensation, \$9,725 is related to the write-off of exploration and evaluation assets and \$7,004 related to the cash flows from operating activities. As for the cash and non-cash items with negative impact on the cash flows, they represent \$53,389 in 2017 from which \$49,192 is related to the cash flows from operating activities and \$4,197 is related to the tax credit. In 2016, they represent \$9,549 from which \$6,000 is related to the gain on disposal of property and equipment and \$3,549 related to the tax credit.

Cash flows used by *investing activities* were \$1,616 as at August 31, 2017 compared to cash flows from by *investing activities* were \$103,784 for the year ended August 31, 2016. For the year ended August 31, 2017, those cash flows reflect the additions to exploration and evaluation assets used \$79,242 and the acquisition of a guaranteed investment certificate of \$50,000 while the disposal of marketable securities generated \$124,193 and tax credit cashed \$3,440. For 2016 those cash flows reflect the additions to exploration and evaluation assets used \$9,725 while the disposal of marketable securities generated \$91,061 and tax credit cashed \$16,448.

Cash flows from *financing activities* were \$2,328,276 for the year ended August 31, 2017 and represent the private placement of \$2,250,000, less share issue costs of \$46,591, the exercise of warrants for \$69,000 and the exercise of share options for \$56,000.

**ABE Resources Inc.**

MD&A for the year ended August 31, 2017

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**FINANCIAL CONDITIONS AND LIQUIDITY**

The Company is an exploration company. Its capacity to assume the continuity of its operations depends on its ability to obtain new funds. Although the Company has been successful in doing so in the past, there is no guarantee that it will succeed in the future.

The Company's financing comes mostly from share issues. The success of these issues depends on the venture capital markets, the investors' interest for exploration companies, and the price of metals. In order to continue its exploration activities and to support its current activities, the Company has to maintain its exposure within the financial community to realize new financings.

During the year 2017, the Company issued 45,000,000 of shares for an amount of \$2,250,000, 5,500,000-share issuance for the acquisition of equity of Pioneer and 2,918,080-share issuance for settlement of debts (nil in 2016).

As at August 31, 2017, the Company's cash stood at \$1,990,128 compared to \$41,908 at the same date last year. The Company's has no obligation toward flow-through expenditures for the years ended in 2017 and 2016.

Working capital was \$1,394,634 as at August 31, 2017 compared to (\$384,447) as at August 31, 2016. From the management's point of view, the following elements of the working capital may directly impact the Company's needs for short term financing to pursue its activities: the cashing of the tax credit is unpredictable in time and the investments are composed of marketable securities of exploration companies which are highly fluctuating.

During the year, the Company has sold a part of its investment in marketable securities in a quoted mining exploration company and received \$124,193 compared to \$91,061 for the same period in 2016.

**RISKS AND UNCERTAINTIES**

The Company, like all other mining exploration companies, is exposed to a variety of financial and environmental risks as well as risks related to the very nature of its activities. It is also subject to risks related to other factors, such as the price of metals and market conditions in general.

*Permits and Licenses*

The Company's operations may require permits and licenses from different governmental authorities. There cannot be any assurance that the Company will obtain all the required permits and licenses in order to continue the exploration, development, and mining operations on its properties.

*Metal Prices*

Even if the exploration programs of the Company are successful, some factors out of the Company's control may affect the marketing of the minerals found. Historically, metal prices have largely fluctuated and are affected by many factors which are out of the Company's control, including international, economic and political trends, inflation expectations, exchange rate fluctuations, interest rates, global and regional consumption models, speculative activities and worldwide production levels. The effects of these factors cannot be precisely predicted.

**ABE Resources Inc.***MD&A for the year ended August 31, 2017*

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*Financing*

The Company has incurred losses to date and does not currently have the financial resources required to finance its planned exploration. Exploration of the Company's properties therefore depends on its ability to obtain the additional financing required.

There can be no assurance that the Company will succeed in obtaining the required funding. Failure to do so may lead to substantial dilution of its interest (existing or proposed) in its properties.

*Key Personnel*

The management of the Company rests on some key managers and mostly on its President / CEO. The loss of this Officer could have a negative impact on the development and the success of its operations. The Company's success is linked to its capacity to attract and keep qualified personnel. Competitiveness in the mining industry is high and the success of the Company depends mostly on the senior managers and the qualified geological personnel.

**OFF-BALANCE SHEET ARRANGEMENTS**

As at August 31, 2017, the Company had not concluded any off-balance sheet arrangements.

**DISCLOSURE OF OUTSTANDING SHARE DATA**

As at November 24, 2017, the share data was:

Common shares issued and outstanding	59,946,070
Stock options (weighted average exercise price of \$0.27)	2,887,500
Warrants (weighted average exercise price of \$0.15)	45,615,000
Total fully diluted	108,448,570

**BASIS OF PREPARATION AND GOING CONCERN**

These consolidated financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS"), and in accordance with IAS 1 "Presentation of consolidated financial statements". These consolidated financial statements have been prepared in accordance with the accounting policies applicable as at August 31, 2017. The policies are described in Note 5 of the consolidated financial statements for the year ended August 31, 2017.

These consolidated financial statements were prepared on a going concern basis, using the historical cost.

**ABE Resources Inc.**

*MD&A for the year ended August 31, 2017*

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The Company's ability to continue as a going concern depends on its ability to realize its assets and additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable.

The preparation of consolidated financial statements in accordance with IAS 1 requires the use of certain critical accounting estimates. It also requires management to exercise judgment when applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

**FUTURE ACCOUNTING PRONOUNCEMENTS****IFRS 9 Financial instruments**

In July 2014, the IASB published IFRS 9 which replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has yet to assess the impact of this new standard on its consolidated financial statements.

**IFRS 16 Operating lease agreement**

In January 2016, the IASB published IFRS 16, Leases ("IFRS 16") which will replace IAS 17, Lease ("IAS 17"). IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the consolidated statement of financial position for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods; changes the accounting for sale and leaseback arrangements; largely retains IAS 17's approach to lessor accounting; and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1st, 2019 with early application permitted in certain circumstances. The Company has yet to assess the impact of this new standard on its consolidated financial statements.

**Capital disclosures**

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. The Company's primary uses of capital are to finance exploration expenditures and property acquisitions. To effectively manage the Company's capital requirements, the Company has in place a budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives.

**ABE Resources Inc.**

*MD&A for the year ended August 31, 2017*

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The Company is not subject, in regards of external rules, to any requirements regarding its capital, except if the Company completes a flow-through financing of which the cash must be reserved for exploration. As at August 31, 2017 and 2016, the Company had no flow-through obligation regarding cash.

As at August 31, 2017, shareholders' equity was \$3,755,662 compared to (\$384,447) for the year ended August 31, 2016.

**INTERNAL CONTROLS OVER DISCLOSURE AND FINANCIAL REPORTING**

As an emerging company, the Company's management is composed of a limited number of key-persons, which means that the segregation of duties is limited and must be offset by a more reliable supervision by the President / CEO and the Chief Financial Officer.

The management of ABE Resources Inc. is responsible for ensuring that processes are in place to provide Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, sufficient information to support the certification that having exercised reasonable diligence and to their knowledge, the annual filings do not contain any untrue statement of material fact or omit a material fact required to be stated. The management also certifies that the annual consolidated financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows for the periods presented in the annual filing.

**OUTLOOK**

In the coming months, the Company will continue to focus its efforts on furthering the newly acquired Dôme Lemieux property as well as project evaluations and project generation with the goal of acquiring new properties for exploration. Additional financing is not likely required for these purposes in the current fiscal year.

**ABE Resources Inc.**

*MD&A for the year ended August 31, 2017*

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**MANAGEMENT’S RESPONSABILITY FOR FINANCIAL INFORMATION**

ABE’ consolidated financial statements and other financial information contained in this annual Management’s Discussion and Analysis report are the responsibility of ABE’ management and have been approved by the board of directors. These annual audited consolidated financial statements have been prepared by the Company’s management in accordance with International Financial Reporting Standards. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the consolidated financial statements are presented fairly in all material respects.

Val-d’Or November 24, 2017

(Signed) Yves Rougerie, President and Chief Executive Officer

(Signed) Nancy Lacoursière, Acting Chief Financial Officer

*ABE Resources Inc.*

*1019, boul. des Pins*

*Val-d’Or (Québec)*

*J9P 4T2*

*Phone: (819) 874-6200*

*Fax: (819) 874-6202*

*E-Mail: [info@ressourcesabe.ca](mailto:info@ressourcesabe.ca)*