



MANAGEMENT DISCUSSION & ANALYSIS

FOR THE NINE MONTH PERIOD ENDED

MAY 31, 2017

ABE Resources Inc.

MD&A for the nine-month period ended May 31, 2017

SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

The following Management Discussion & Analysis («MD&A»), dated July 27, 2017, is to be read in conjunction with the interim condensed unaudited financial statements of ABE Resources Inc. (the «Company» or «ABE») for the period ended May 31, 2017 and the audited financial statements of ABE Resources Inc. for the year ended August 31, 2016 as well as with the accompanying notes. The interim condensed unaudited financial statements for the period ended May 31, 2017 are prepared under the International Financial Reporting Standards (IFRS). Unless otherwise indicated, all amounts are expressed in Canadian dollars. The objective of this Management's Discussion and Analysis Report ("MD&A") released by ABE is to allow the reader to assess our operating and exploration results as well as our financial position for the nine-month period ended May 31, 2017 compared to the same period last 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.

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 period, the Company focused its activities on exploration evaluations and project generation (R&D) in order to refocus the Company towards precious and/or base 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.

HIGHLIGHTS OF THE THIRD QUARTER 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 5,755,478 to reflect the impact of the common share consolidation.

The Company did not engage expenses for the exploration of properties located in Québec for the third quarter of 2017 and 2016.

The Company engaged expenses of \$6,753 before tax credit for the third quarter of 2016 on properties for which the Company does not own the mining rights or an agreement and accounted in profit or loss compared to \$6,790 before tax credit for the same quarter in 2016.

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

On May 11th 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.

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.

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 remain subject to 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 second quarter in 2017, the Company maintained a tight control of its other expenses.

The loss for the period of \$1,479,897 reflects the current activities of the Company.

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.

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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		2%
St. Stephen	50% ownership	Indiana Resources Ltd owns 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 6th, 2016. The report can be accessed either on the Company’s website or on SEDAR.

The Dôme Lemieux property is made up of 209 map-designated claims totalling 11,146.7 ha or roughly 11.1 km². Recently 16 more cells have been designated for a total of 908 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.

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

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historical resources of 1.84MT @ 1.39% Cu.¹. 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.

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.

¹ All production numbers from the Sigeom website www.sigeom.gouv.qc.ca, Historical resources for Sullipek are not categorized and also from the Sigeom website.

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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 IOCG² 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.

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

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

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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 GIS³;
- 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.M⁴, on known showings;
- Updating of the NI 43-101 report.

³ GIS : Geographical information system.

⁴ I.P : Induced polarization, H.L.E.M : Horizontal loop electromagnetic

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SELECTED FINANCIAL INFORMATION

	Three-month period ended May 31, 2017	Three-month period ended May 31, 2016	Nine-month period ended May 31, 2017	Nine-month period ended May 31, 2016
	\$	\$	\$	\$
Finance income	-	436	-	436
Finance cost	62,071	-	214,286	-
Operating expenses	1,125,789	44,789	1,265,611	180,075
Net gain (loss) for the period	(1,187,860)	(44,353)	(1,479,897)	(643,180)
Other comprehensive loss	62,243	15,000	198,681	453,267
Total comprehensive loss for the period	(1,125,617)	(29,353)	(1,281,216)	(189,913)
Basic and diluted net loss per share	(0.02)	(0.01)	(0.02)	(0.06)
Weighted average number of shares in circulation	59,743,558	5,755,478	59,743,558	5,755,478

	Statement of financial position as at May 31, 2017	Statement of financial position as at August 31, 2016
	\$	\$
Cash	2,262,716	159,036
Total assets	4,607,275	398,405
Current liabilities	722,794	575,447
Working capital	1,574,436	(180,720)
Equity	38,984,481	(177,042)

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
2017-05-31	62,071	1,125,789	-	(1,187,860)	2.00
2017-02-28	56,623	49,456	-	(106,079)	-
2016-11-30	95,592	90,368	-	(185,960)	-
2016-08-31	-	81,672	7,050	(81,672)	(0.01)
2016-05-31	-	44,789	2,675	(44,789)	-
2016-02-29	306,300	57,291	-	(363,591)	(0.03)
2015-11-30	157,241	77,995	-	(235,236)	(0.02)
2015-08-31	-	124,287	26,608	(306,820)	(0.03)

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Results of operations***Current quarter***

During the period ended May 31, 2017 the Company reported a net loss of \$1,187,860 (or \$0.021 per share) compared to a net loss of \$44,353 (or \$0.00 per share) as at May 31, 2016.

Operational expenses for the period increased by \$1,081,000 to \$1,125,789 (\$44,789 in 2016).

There is an amount of \$144,836 has employee benefit expenses which included a stock based compensation (nil in 2016).

The Company did not engage evaluation expenses during the second quarter of 2017 and 2016.

The finance cost amounted of \$62,071 (nil in 2016) corresponds to the impairment loss realized on the disposition of investments and is detailed as follows:

Name of title	2017				2016			
	Number sold	Proceeds of disposition	Cost	Actual loss	Number sold	Proceeds of disposition	Cost	Actual loss
		\$	\$	\$		\$	\$	\$
Orla Mining Ltd (formerly Ressources Pershimco Inc.)	26,205	31,296	93,367	62,071	-	-	-	-
Total	26,205	31,296	93,367	62,071	-	-	-	-

Nine month period ended May 31, 2017

During the period ended May 31, 2017 the Company reported a net loss of \$1,479,897 (or \$0.02 per share) compared to a net loss of \$643,183 (or \$0.11 per share) as at May 31, 2016.

Operational expenses for the period increased by \$1,085,535 to \$1,265,611 (\$180,075 in 2016).

There is an amount of \$144,834 has employee benefit expenses which included a stock based compensation (nil in 2016).

The Company did not engage evaluation expenses during the second quarter of 2017 and 2016.

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
Total	281,705	124,194	338,480	214,286	619,800	91,061	554,602	463,541

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

Statements of financial position

As at May 31, 2017, the Company had total assets of \$4,617,575 compared to \$197,449 as at August 31, 2016. This increase of \$4,419,826 is described in the following paragraphs:

Current assets

The current assets amount to \$2,307,230 as at May 31, 2017 compared to \$197,449 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 \$2,310,045 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.

Liabilities

As at May 31, 2017, current liabilities were \$722,794 compared to \$581,896 as at August 31, 2016. The increase of \$140,898 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

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after more than twelve months from reporting date. Therefore, the amount was classified as current. During the first semester of 2017, the Company paid an amount of \$107 to his shareholders.

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.

Equity

As at May 31, 2017, shareholders' equity was amounted to \$3,894,481, compared to (\$384,447) as at August 31, 2016 for an increase of \$4,278,928. The variation reflect 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 \$54,000, the exercise of options for \$42,250, the market value of the Company's investments for \$15,605 and the current activities of the Company.

Cash Flows

Cash flows used in *operating activities* were \$152,247 and \$161,983 respectively, for the periods ended May 31, 2017 and May 31, 2016. These cash flows represent the net loss of each period adjusted for non-cash items from operating activities. For the nine month period ended May 31, 2017, non-cash items with a positive impact on the cash flows totalled \$1,327,650 and came mainly from the loss on settlement of debts for an amount of \$933,783, write-off of exploration and evaluation assets for an amount of \$214,286, \$34,747 related to the cash flows from operation activities and the share-based payments of \$144,834. For the nine-month period ended May 31, 2016, non-cash items with a positive impact on the cash flows totalled \$481,198 and came mainly from the amortization of property and equipment (\$3,708), the the loss on available-for-sale financial assets recycled in profit or loss (\$463,541) and to the cash flows from operating activities (\$13,949). There was no non-cash item with negative impact on cash flows for the third quarter in 2017 and 2016.

Cash flows from *investing activities* for the third quarter ended in 2017 and 2016, totalling respectively \$82,435 and \$91,061 and reflect the disposal of marketable securities in quoted mining exploration companies for an amount of \$124,194 and \$91,061.

Cash flows from financing activities for the third quarter ended May 31, 2017 represent the private placement of \$2,250,000, less share issue costs of \$45,630, the exercise of warrants for \$44,000 and the exercise of share options for \$42,250.

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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 prices of metals and minerals. 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 period ended May 31, 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 May 31, 2017, the Company's cash stood at \$2,262,716 (\$41,908 as at August 31, 2016).

As at May 31, 2017 and August 31, 2016, the Company had no unfulfilled obligation toward contracted flow-through exploration expenditure commitments.

Working capital was \$1,584,436 as at May 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 in value. The eventual sale of these investments might generate less cash flow than expected.

During the third quarter in 2017, the Company sold a part of its investment in marketable securities in a quoted mining exploration company and received \$124,194 compared to \$91,061 for the same quarter 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.

ABE Resources Inc.*MD&A for the nine-month period ended May 31, 2017*

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.

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 May 31, 2017, the Company had not concluded any off-balance sheet arrangements.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at July 27, 2017, the share data are:

Common shares issued and outstanding	59,818,558
Stock options (weighted average exercise price of \$0.26)	2,675,000
Warrants (weighted average price of \$0.15)	45,655,000
Brokers Warrants	-
Total fully diluted	108,148,558

ABE Resources Inc.

MD&A for the nine-month period ended May 31, 2017

BASIS OF PREPARATION AND GOING CONCERN

These interim financial statements of the Company were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) under International Accounting Standard (IAS) 34 - Interim Financial Reporting. These interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computations outlined in Note 5, SIGNIFICANT ACCOUNTING POLICIES as described in our financial statements for the year ended August 31, 2016. The interim financial statements do not include all of the notes required in annual financial statements.

These financial statements were prepared on a going concern basis, using the historical cost, except for the financial assets and the financial liabilities accounted for at fair value through profit and loss.

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 application of IFRS on a going concern basis may be inappropriate, since there is a doubt as to the appropriateness of the going concern assumption.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

The preparation of financial statements in accordance with IAS 34 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 financial statements are disclosed in note 4.

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 nine-month period ended May 31, 2017

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 May 31, 2017 and August 31, 2016, the Company had no flow-through obligation regarding cash.

As at May 31, 2017 the shareholder's equity was \$3,894,481 (\$384,447) as at August 31, 2016.

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.

MANAGEMENT'S RESPONSABILITY FOR FINANCIAL INFORMATION

ABE's financial statements and other financial information contained in this quarterly Management's Discussion and Analysis report are the responsibility of ABE's management and have been approved by the board of directors.

Val-d'Or, July 27, 2017

(Signed) Yves Rougerie, President and Chief Executive Officer

(Signed) Nancy Lacoursière, Chief Financial Officer

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