

Transition Metals Corp.
Management Discussion & Analysis
For the Three and Nine Month Period Ended May 31, 2017

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Transition Metals Corp. ("we", "our", "us", "Transition Metals", "TMC", "Transition" or the "Company") as of May 31, 2017 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations for the nine month period ended May 31, 2017 and should be read in conjunction with the financial statements and related notes for Transition Metals as at and for the year ended August 31, 2016. This MD&A was prepared as of July 20, 2017.

The financial statements and related notes of Transition Metals have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's reporting currency is the Canadian dollar, and all monetary amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

Transition Metals is a publicly traded mineral exploration Company. The Company's projects and their history are disclosed in press releases, technical reports and other continuous disclosure filings which may be viewed on the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on the Company's website at www.transitionmetalscorp.com.

Transition Metals Corp. ("TMC") and its legal subsidiaries, HTX Minerals Corp. ("HTX") Sudbury Platinum Corp to date of loss of control (March 23, 2016), and Canadian Gold Miner Corp. ("CGM") (collectively referred to as the "Company") are engaged in the acquisition and exploration of mineral exploration properties in Canada and the United States.

INTERNAL QUALIFIED PERSON AND QUALITY CONTROL/QUALITY ASSURANCE

Greg Collins, P.Geo., Chief Operating Officer of the Company, is a Qualified Person as defined under National Instrument 43-101 and has reviewed the technical information contained in this MD&A.

OVERVIEW OF THE COMPANY

Transition Metals (XTM-TSX.V) is a multi-commodity exploration company using the project-generator business model. This approach maximizes shareholder exposure to discoveries and capital gain while minimizing shareholder equity dilution by selling interest in the projects rather than ownership in the Company. The Company has established funding partnerships with a number of companies that are earning an interest in a Transition Metals property by providing a blend of cash, shares and royalties, and committing exploration expenditures to advance the projects. The Company has developed a portfolio of gold, copper, nickel and PGM projects primarily in Ontario, Nunavut and Saskatchewan with ownership interest in approximately 1,263 km² of property interest. Key projects for the Company include: the South Kirkland gold project which is being advanced by subsidiary, Canadian Gold Miner Corp, the Aer Kidd Ni-Cu-PGM project in Sudbury which is being advanced by associate subsidiary, Sudbury Platinum Corp., the Sunday Lake PGM discovery near Thunder Bay now being advanced through a Joint Venture with Impala Platinum and Option Agreement with North American Palladium Ltd., and the Gowganda Gold Project, which is under option to Aldershot Resources Ltd.

The business of exploration and mining involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, development and construction of a mine and processing facilities, obtaining certain government approvals and attaining profitable production. There can be no assurance that the Company will be able to raise sufficient funds as and when required.

The Company's audited consolidated financial statements are prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of the Company's business. The application of the going concern concept is dependent on the Company's ability to obtain financing to continue its operations.

The Company presently has no known quantifiable mineral deposits that justify exploitation, and activities completed by the Company constitute exploratory searches for economic mineral deposits.

MINERAL PROPERTIES, ACTIVITY AND PLANS

EXPLORATION HIGHLIGHTS

Transition Projects:

Aldershot Resources – Gowganda Gold Option:

On February 28, 2017 Transition and Aldershot disclosed initial results from drilling which included the intersection of 5.9 metres grading 1.43 grams per tonne gold (g/t) including 1.30 metres grading 3.79 g/t. On April 6, 2017 additional assay results including 11.52 metres grading 1.63 grams per tonne gold (g/t) including 6.21 g/t over 1.08 metres and 5.41 g/t over 1.03 metres were disclosed.

Canadian Gold Miner Corp. – Private Subsidiary

On March 6, 2017, Canadian Gold Miner announced that entered into two option and joint venture agreements that allow Trelawney (a wholly owned subsidiary of IAMGOLD Corporation), to earn up to an 80% interest in the Jumping Moose and Elephant Head projects, located close to the Côté Gold deposit near Gogama Ontario. Under the terms of the option and joint venture agreement, Trelawney can earn an initial 51% interest in either or both projects by incurring \$850,000 of expenditures and paying CGM \$80,000 in cash over 3 years on each property, with an option to increase up to an 80% interest by incurring an additional \$2,000,000 in expenditures and making additional \$250,000 in cash payments on each it vests it 51% interest to CGM over 2 years following the initial 51% interest earn in. Upon earning a 51% or 80% interest, as the case may be, the Option will convert to a joint venture with each party providing funding to maintain its proportionate interest or have its interest diluted in favour of the other party. Should a party be diluted to 10% or less, its interest would be converted to a 2% NSR. The Jumping Moose property remains subject to an underlying 2% NSR to the original land holder and a \$1,000,000 commercial production payment to Transition Metals.

On May 12, Canadian Gold Miner announced that it had closed a private placement totaling \$817,250 by way of issuance of 5,294,998 units each consisting of a common share and common share purchase warrant exercisable for three years at \$0.25 per share at a price of \$0.15 per unit, and the issuance of 115,000 flow through eligible shares at a price of \$0.20 per share. The planned use of proceeds includes drilling of the high grade Bjorkman Showing (see news release of February 8, 2017) as well as a robust exploration program on CGM's South Kirkland project area.

In May, CGM initiated programs of field work seeking to further evaluate gold mineralized bedrock exposures on its South Kirkland and West Matachewan project.

Property Holdings

The Company owns property in several jurisdictions in Canada and is currently registered to conduct business in Ontario, British Columbia, Saskatchewan, Nunavut, Northwest Territories, and Minnesota USA. As of May 31, 2017, the Company owned or held under option an ownership interest in mining properties totaling approximately 128,477 hectares (ha) (1,284 km²) (square kilometres) for purposes of conducting exploration and development activities. Individual projects expenditures for the period are summarized in the table at the end of this section.

The Company's properties have been grouped into the following major project categories based on a number of factors including geographic location, commodity focus and partnership agreements. A summary of these focus areas is presented below.

Projects	Properties as of May 30, 2017	Hectares May 30, 2017	Properties as of Feb 28, 2017	Hectares Feb 28, 2017	Properties as of Feb 28, 2017	Hectares Feb 28, 2017	Properties as of November 30, 2016	Hectares November 30, 2016	Properties as of August 31, 2016	Hectares August 31, 2016
*Sudbury - Ni-Cu-PGM's	-	-	-	-	-	-	-	-	-	-
Thunder Bay - Ni-Cu-PGM's	55	9,640	62	11,144	62	11,144	63	11,832	64	12,184
Nunavut NRC Alliance	15	76,956	15	75,670	15	75,670	15	75,670	20	79,885
Saskatchewan Copper - Janice Lake	8	6,804	8	6,804	8	6,804	8	6,804	8	6,804
Abitibi Gold - Ontario	68	7,568	65	7,120	65	7,120	65	7,120	65	7,120
**Canadian Gold Miner	195	17,639	180	15,767	180	15,767	175	14,679	177	15,063
Other	91	9,870	98	8,655	98	8,655	98	8,655	99	8,735
Totals	432	128,477	428	125,160	428	125,160	424	124,760	433	129,791

* No longer reporting property ownership held through Sudbury Platinum Corp.

** ownership interest reported through interest in Canadian Gold Miner Corp.

OVERVIEW OF PROJECTS

The Company has developed a portfolio of gold, copper, nickel and PGM projects with ownership interest in approximately 1,284 km² of property interest in 5 focus areas as defined by region or partnership structure.; These include: Sudbury Ni-Cu-PGMs, Thunder Bay Ni-Cu-PGM's, Nunavut Strategic Alliance, Saskatchewan Copper and, Abitibi Gold. The Company seeks to advance exploration work in these projects by attracting funding partners through the sale of project ownership, as opposed to share capital. The Company has been successful in attracting and creating a number of key partnerships through which the Company continues to advance its interests, some of which are highlighted below.

ABITIBI GOLD, ONTARIO

CANADIAN GOLD MINER – Private Subsidiary:

On March 2, 2016, the Company announced that it had formed a new private subsidiary named Canadian Gold Miner Corp (CGM) and that it had entered into agreements with CGM to assign a 100% interest in an approximate 60 square kilometer portfolio of early stage gold exploration projects located along the Cadillac Larder and Ridout structures in the Larder Lake Mining District of Ontario. The agreements sold a 100% interest in five property groupings; West Matachewan, Jumping Moose, Elephant Head, Golden Elk and New Kirkland, totaling 5,952 hectares in consideration of 15 million common shares of Canadian Gold Miner with Transition retaining a 2% Net Smelter Return Royalty (NSR) on all properties not already encumbered by underlying royalties. The NSR provision affords Canadian Gold Miner the ability to buy back up to 1% this NSR on any and each property by making a payment of \$1.5 million to Transition at any point up until a production decision. Transition is also entitled to receive a milestone payment of \$1.0 million for each transferred property upon a production decision. Transition Metals will serve as project operator on behalf of Canadian Gold Miner in the Larder Lake Mining District until such point that its interest in Canadian Gold Miner is diluted to less than 33% or a period of 2 years or as mutually agreed. The properties host a number of gold occurrences but have no defined reserves or resources.

CGM has since acquired additional mining property the southwest Abitibi greenstone and now controls approximately 15,767 hectares of property in the Larder Lake Mining District. CGM plans explore the best opportunities on its properties by selling equity to finance exploration work in a manner consistent with the business model of a traditional junior exploration company.

On August 22, 2016 CGM announced that it had closed a seed financing totaling \$495,000 by way of issuance of 4,950,000 common shares (the Offering) at a price of \$0.10 per share.

On May 11, 2017 CGM announced that it had closed a private placement totaling \$817,250 by way of issuance of 5,294,998 units each consisting of a common share and common share purchase warrant exercisable for three years at \$0.25 per share at a price of \$0.15 per unit, and the issuance of 115,000 flow

through eligible shares at a price of \$0.20. As at May 30, 2017, Transition's ownership interest in CGM was approximately 50%.

CGM has communicated 3 exploration focus areas which consist of properties which are discussed in greater detail below.

SOUTH KIRKLAND FOCUS AREA

The South Kirkland focus area consists of 127 staked and optioned claims and leases totaling 7,591 hectares located 10 kilometres south of Kirkland Lake in Larder Lake Mining District.

LINCOLN NIPISSING PROPERTY

On October 24, 2016 CGM announced that it has optioned a 61 km² covering approximately 23 kilometres of strike along the Lincoln-Nipissing break from Skead Holdings Ltd. The Lincoln-Nipissing break is a deep seated fault structure located 10 kilometres south and parallel to the Cadillac-Larder Break. Under its agreement with Skead, CGM can earn a 51% interest by incurring work expenditures totaling \$2.75 million, issuing 600,000 common shares and providing \$200,000 in cash payments over 3 years with an ability to earn up to a 100% interest by taking a project to commercial production subject to a \$1.0 million commercial production payment. Once commercial production has been established, the property would be subject to a 2.5% NSR, of which 0.5% could be repurchased by the Company for \$1.5 million.

The property hosts a number of gold showings including the historic Lafond and Manor deposits that were investigated by underground workings in the 1920's and 1930's. In 2013 Gold Fields obtained grab samples from the Lafond site returning assay values ranging from 0.28 to 14.15 g/t Au. Grab sampling of rocks in the Lafond area by the Company in 2016 returned values from 0.16 to 2.59 g/t Au g/t Au. At Lafond, drilling conducted by Maple Mountain Mines in 1984 intersected 9.09 g/t Au over 1.68 m including 29.31 g/t Au over 0.46 metres (MM1-84).

The Company has undertaken the compilation and interpretation of historically available exploration data and has sampled a number of locations on the property. In May, CGM initiated a summer program of field work to carry out additional programs of mapping, sampling, and geophysics on the property to be followed by drilling. Initial assay results from outcrop mapping and sampling from this program are pending.

As of the date of this report all claims remain in good standing.

WEST MATACHEWAN FOCUS AREA

WEST MATACHEWAN PROPERTY

The West Matachewan property consists of 12 staked and optioned mining claims (approximately 1,472 ha) located in Doon and Midlothian townships, Larder Lake Mining District, Ontario. The property is located approximately 15 km west of Alamos Gold Inc.'s producing Young Davidson mine in Matachewan. In January 2015, the Company vested a 100% interest in the property by meeting its obligations under an option agreement with Ashley Gold Mines Limited (Ashley) on six adjacent claims. The Ashley claims are subject to a 2% NSR where a 1% NSR interest can be repurchased by the Company for \$1.0 million at any time. As of the date of this report, all claims remain in good standing.

The West Matachewan property covers a window of Archean aged Volcanics and Temiskaming metasediments surrounded by younger Proterozoic Huronian group sediments which overlie the Archean rocks. The property covers extensions of favourable geology interpreted to lie along the western extension of the Cadillac Larder structural Break. The Cadillac Larder break is recognized as an important gold bearing structure located in the prolific Abitibi Greenstone Belt which has produced in excess of 150 million ounces (oz) of gold - *Gosselin and Dubé (2005) and Huleatt and Jacques (2005)*.

The Company has worked the property since 2012, completing compilation, mechanical stripping, channel sampling, mapping and soil sampling. Grab samples up to 2.3 g/t have been collected from historical sampling along strike from Mag/EM and IP and gold-in till anomalies.

In 2015 the Company completed a small program of trenching and channel sampling. The results of this work evidence a similar structural and geological environment to that observed at the AuRico Gold Young Davidson mine, located 15 km to the northeast along the interpreted western extension of the Cadillac-Larder Lake fault zone.

MIDLOTHIAN PROPERTY

On February 29, 2016, CGM executed a purchase and sale agreement with Kiska Metals Corp. and Rimfire Minerals Corp. to acquire a 100% interest in the Midlothian property, a road-accessible, high-grade, lode gold prospect located 25 km west of Alamos Gold Inc.'s Young-Davidson gold mine. The property is transected by an under-explored segment of the Cadillac-Larder Lake Fault Zone. Under the terms of the agreement, Kiska assigned a 100% interest in the property to CGM subject to an underlying purchase and sale agreement and royalty agreement with Laurion Mineral Exploration Inc. in consideration of 1,000,000 common shares of CGM on signing, with additional consideration to include \$200,000 worth of additional shares or units (as the case may be) in the capital stock of CGM before the earlier of the first anniversary of the agreement. Additionally, Kiska would be entitled to receive a \$2.5M milestone payment within 6 months of Commercial Production, payable in cash or shares at the election of CGM. In accordance with the underlying royalty agreement, the Midlothian property would be subject to a 2.5% NSR on all precious and 1.5% NSR on any base metal products sold following the establishment of commercial production on the property.

Prospecting on the property in 2013 discovered the Bjorkman Zone, a 1 metre wide quartz-carbonate vein with visible gold that returned several high-grade rock chip samples, including a highlight result of 0.8 metres (true width) of 2,060 g/t gold (August 7, 2013 news Kiska Metals news release for full suite of results). The Bjorkman Zone is located within the Bjorkman fault, an interpreted secondary fault structure connected to the Cadillac Larder break. A property-wide MMI soil survey conducted in 2015 highlighted extensions of the Bjorkman Zone under till cover, and other till-covered areas coincident with interpreted fault structures, as significant exploration targets.

On February 8, 2017 CGM reported results from a 1.23 Tonne sample collected from the Bjorkman occurrence located on the Midlothian Property west of Matachewan Ontario exposed by mechanical excavation exposing a zone of veining over a strike length of 35 metres with an average true thickness of 1 metre. The sample was collected in July of 2016, as part of a program to further investigate the gold occurrence and to collect a more representative sample of vein material to assess overall grade, returned a head grade of 240 grams gold per tonne (g/t Au) (7.66 troy ounces gold per tonne – oz Au/t). The zone, consists of quartz-carbonate veining and silicification developed along a faulted contact between serpentinized ultramafic intrusive rocks and dacite, striking northwest and dipping approximately 55 degrees northeast. CGM plans to drill test in the vicinity of the surface vein to further assess the extent at depth and along strike of the exposed mineralization.

RIDOUT WEST FOCUS AREA

ELEPHANT HEAD PROPERTY

The Elephant Head property is located in Connaught Township, Larder Lake Mining Division and consists of 10 claims totaling 2,032 ha. The property was staked in 2012 to secure an area hosting a number of historic gold showings associated with shear zones developed in granitic rocks located along a possibly splay structure located south of the Ridout Fault.

Prospecting and sampling conducted in 2012 and 2014 in the vicinity of a poorly exposed silicified shear zone with variable sulphide mineralization yielded up to 57.3 g/t Au (see news release dated Sept 17, 2012) outlining an area approximately 400 by 1000 m with similar geological and structural characteristics to those associated with the Chester 1 and 2 lode-gold deposits near Cote Lake. In 2014, portions of the property were covered by an orientation mobile element soil survey consisting of 62 samples collected over the vicinity of known mineralized occurrences which outlined geochemical anomalies to the west and north of the known showings.

On March 6, 2017 Canadian Gold Miner announced that entered into an option and joint venture agreement that allows Trelawney (a wholly owned subsidiary of IAMGOLD Corporation), to earn up to an 80% interest in the Elephant Head project, located close to the Côte Gold deposit near Gogama Ontario. Under the terms of the option and joint venture agreement, Trelawney can earn an initial 51% interest by incurring \$850,000 of expenditures and paying CGM \$80,000 in cash over 3 years, with an option to increase up to an 80% interest by incurring an additional \$2,000,000 in expenditures and making additional \$250,000 in cash payments to CGM over 2 years following the initial 51% earn in. Upon earning a 51% or 80% interest, as the case may be, the Option will convert to a joint venture with each party providing funding to maintain its proportionate interest or have its interest diluted in favour of the other party. Should a party be diluted to 10% or less, its interest would be converted to a 2% NSR. The Elephant Head property remains subject to an underlying 2% NSR and a \$1,000,000 million commercial production payment to Transition Metals.

In April, IAMGOLD acquired an additional 9 claims peripheral to the Elephant Head property which were added to the property schedule of the option agreement. As at the date of this report the property consists of 19 claims for a total of 3,696 hectares. IAMGOLD reported to the Company that it has initiated summer programs of field work to include the completion of soil sampling and prospecting work, mechanical trenching and gradient IP surveys to be followed by diamond drilling.

JUMPING MOOSE

The Jumping Moose Property consisted of 18 claims (2,176 hectares) located in Burrows and Kemp townships in the northwestern corner of the Larder Lake Mining District, Ontario approximately 35 km north of Shining Tree. In February, 5 claims that were formerly part of the project area were restaked.

The property is underlain by Archean aged ultramafic, mafic and felsic volcanics, iron formation, gabbroic, and aplitic rocks of the Abitibi Sub-province. The Jumping Moose Property contains a cluster of extremely high grade (>500 g/t Au) Au-Ag-Te (Gold-Silver-Tellurium) bearing quartz vein boulders located on the east side of Jumping Moose Lake that were identified in the 1950's. Grab samples of the float boulders collected by the Company yielded assay values up to 374 g/t Au and 648 g/t Ag. A grab sample taken from a low exposure of sulphidic iron formation in a previously un-explored portion of the property returned 2.0 g/t Au. Historic diamond drilling has focused on identifying the source of the high grade float in a direction interpreted to have been up-ice from boulders.

In January 2015 the Company vested its 100% interest in the property subject to a 2% NSR held by Swain and Decker. Fifty percent (1% NSR) of this royalty can be purchased by the Company at any time up until Commercial Production for \$1,000,000.

In 2011, the Company optioned this property to Abalor Minerals Inc. ("Abalor"), a private company who completed a program of mechanical stripping, mapping and channel sampling. In 2012, Abalor completed a geophysical survey program consisting of 8 km of induced polarization and resistivity surveys and 14.7 km of total field magnetics over a portion of the property. This survey was followed by a 14 hole, 1,500 m program of drilling. In January of 2015, the property was returned the Company by Abalor and the Agreement was terminated. In 2015, the Company recovered and reviewed drill core obtained by Abalor completed some addition sampling and site clean-up. This review has led to the identification of new priority drill targets.

On March 6, 2017 Canadian Gold Miner announced that entered into an option and joint venture agreement that allows Trelawney (a wholly owned subsidiary of IAMGOLD Corporation), to earn up to an 80% interest in the Jumping Moose project, located close to the Côte Gold deposit near Gogama Ontario. Under the terms of the option and joint venture agreement, Trelawney can earn an initial 51% interest by incurring \$850,000 of expenditures and paying CGM \$80,000 in cash over 3 years, with an option to increase up to an 80% interest by incurring an additional \$2,000,000 in expenditures and making additional \$250,000 in cash payments to CGM over 2 years following the initial 51% interest earn in. Upon earning a 51% or 80% interest, as the case may be, the Option will convert to a joint venture with each party providing funding to maintain its proportionate interest or be diluted down. Should a party be diluted to 10% or less, its interest would be converted to a 2% NSR. The Jumping Moose property remains subject to an underlying 2% NSR to the original land holder and a \$1,000,000 commercial production payment to Transition Metals.

As at the date of this report, IAMGOLD has initiated summer programs of field work planned to include the completion of soil sampling and prospecting work, mechanical trenching and sampling to be followed by diamond drilling.

GOLDEN ELK

The Golden Elk property is located in southern Tudhope Township, Larder Lake Mining District, Ontario. and consists of 2 owned patents and 6 staked claims for a total of 272 hectares. The project was initially acquired by the Company to investigate the gold bearing potential in the vicinity of the past producing Cobalt Frontenac gold mine which operated between 1904 and 1917, approximately 10 km southeast of Elk Lake Ontario. Canadian Gold Miner holds a 100% interest in the mining rights to 2 mining patents, subject to underlying NSR Royalties ranging from 2-3% with 1% buyback provisions for \$1.0 million.

Initial mapping, prospecting and sampling work was initiated in 2012. The work identified a number of previously unknown mineralized occurrences that returned elevated gold, silver and copper values. Trenching completed in the vicinity of the Cobalt Frontenac mine shaft exposed a well-developed shear zone hosting disseminated sulphides, with an associated network of narrow quartz veins returning assay values ranging from trace to 11.2 g/t gold (see news release dated Sept 17, 2012).

On May 17, 2017 CGM acquired additional property peripheral to the Cobalt Frontenac gold mine through an option agreement with local claim holders. The property hosts the historical Paragon Hitchcock Silver-Cobalt mine as well as an interpreted extension to the shear structure associated with the Cobalt Frontenac gold mine. Recent grab sampling conducted by CGM from a muck pile at the adjacent Paragon Hitchcock mine shaft has returned values ranging from 8.79 to 414 (g/t) silver, 0.06 to 9.86 g/t gold, and 0.08 to 9.25% cobalt. The acquisition of the Paragon Hitchcock property consolidates two historic mining properties located near the edge of the Cobalt Embayment.

On July 6, CGM signed a letter of intent (LOI) with Explorex Resources Inc. (Explorex). Under the terms of the LOI, Explorex has agreed to pay a total of \$140,000 to CGM (of which \$130,000 can be in cash or shares), issue a total of 1.7 million shares and commit to \$1.275 million in work expenditure over a 3-year period from signing a definitive agreement. Upon earning a 100% interest, Explorex will grant CGM a 1% NSR and retain first right of refusal to buyback the NSR. Explorex will commit to meeting all obligations of the underlying commitments. The closing of the agreement will be subject to signing a binding contract and regulatory approvals.

TRANSITION ABITIBI GOLD PROJECTS:

Transition Metals also holds interest in mining lands in the Abitibi Greenstone belt of Ontario totaling approximately 7,120 hectares in three projects: Gowganda Gold (now under option to Aldershot Minerals), Pipestone (60% Gowest and 40% Transition Joint Venture), and Kidd Gold (available for option), details of which are provided in greater detail below.

GOWGANDA GOLD PROJECT (OPTIONED TO ALDERSHOT RESOURCES LTD.)

The Gowganda Gold Project is located adjacent to the town of Gowganda Ontario in Nicol, Haultain, and Van Hise townships, in the Larder Lake Mining District. The center of the project is located approximately 34 km (kilometres) west of Elk Lake (population 350 and 33 km southwest of Matachewan (population 450). The project consists of 37 mining claims totaling 3,904 hectares.

Prior to the Company optioning the property to Aldershot, it has worked the property since 2011, completing Induced Polarization (IP) geophysics, Soil surveying, mapping, 10 mechanically stripped trenches and channel sampling and 21 drill holes totaling 2,258m. The property hosts widespread elevated gold mineralization hosted by stockwork veining in altered syenite ranging from nil to 3.5 g/t over significant widths in channel samples and drilling as well as up to 97 g/t Au over short channel widths (0.4 metres) within quartz veins. Drill intercepts include 2.37 g/t over 7.06 metres and up to 82.5 g/t Au over 0.4 metres.

On October 31, 2016, the Company entered into an Option and Joint Venture Agreement with Aldershot Resources Ltd. (ALZ.H – TMX NEX) ("Aldershot") whereby Aldershot. Under the terms of this Agreement, Aldershot can earn a 51% interest in the property by committing to funding \$400,000 worth of exploration on property in year one, and incur cumulative work expenditures totaling \$2.0 million by the third anniversary of the agreement. In addition, Aldershot must issue 1,500,000 common shares to Transition on signing, and provide an additional \$450,000 worth of Aldershot shares to Transition by the second anniversary date, subject to exchange approvals. During the course of the initial stage of the Option, Transition has agreed to serve as program operator. Upon earning its initial 51% interest, Aldershot may opt to acquire an additional 24% interest in the property (for a total of 75%) by completing a feasibility study within 3 years. Upon Aldershot earning its 51% or 75% interest in the Property as the case may be, a Joint Venture would be formed, with each party required to fund work programs on the property to maintain its respective interest. If a party's interest were to be diluted to 10%, its interest would convert to a 2% NSR of which the other party could purchase 1% for \$1 million at any time prior to Commercial Production. Portions of the property remain subject to an underlying agreement which conveys a 2% NSR to the original claim holder of which 1% of the NSR can be repurchased by Joint Venture for an aggregate sum of \$1.0 million.

On November 8, 2016, the Company announced that it had initiated programs of work on the Haultain discovery to include linecutting, geophysics and diamond drilling funded by Aldershot. During the reporting period, 11 holes, totaling 1418.9 metres were completed. On February 28, 2017 Transition and Aldershot disclosed initial results from drilling which included the intersection of 5.9 metres grading 1.43 grams per tonne gold (g/t) including 1.30 metres grading 3.79 g/t. On April 6, 2017 additional assay results including 11.52 metres grading 1.63 grams per tonne gold (g/t) including 6.21 g/t over 1.08 metres and 5.41 g/t over 1.03 metres were disclosed.

On June 26, 2017 Aldershot reported assay results from surface sampling during the reporting period completed on the Property. In total, 61 grab samples were collected with assay results ranging from nil to 1.0 g/t gold, nil to 13.4 g/t silver, nil to 4.68% copper and nil to 0.31% cobalt. The results highlight a trend of quartz/calcite veining hosting anomalous gold, silver, copper and cobalt mineralization occurring in younger Proterozoic rocks that overlie the older Archean rocks which host the known gold mineralization on the Property. A number of other historical occurrences were also sampled with the best results being a sample from a historical occurrence referred to as the "Big Four" collected near the southern boundary of Aldershot claim 4227300 in 2010 which returned a value of 3.03% cobalt, 17.3 g/t silver and 1.83 g/t gold.

Aldershot has communicated that it intends to complete a 2,500 metre drill program to drill test increasing grade-thickness gold trends in proximity to the Haultain discovery and to further evaluate the Archean and Proterozoic host rocks to follow up on elevated gold, copper, silver and cobalt values highlighted by the recent sampling.

PIPESTONE PROJECT – (OPTIONED TO GOWEST GOLD)

The Pipestone Project consists of 27 staked claims (approximately 3,216 ha) located in Wark, Prosser, Gowan, Little and Evelyn townships, Porcupine Mining District, near Timmins, Ontario. The claims were acquired to cover approximately 13 km of the interpreted strike extension of the Pipestone structure. The Pipestone structure is an under-explored gold bearing regional fault in the Timmins Gold camp that runs sub-parallel to the Destor-Porcupine fault (*>60 million oz of historic production – Ontario Geological Survey - Gold production in the Timmins Regional Resident Geologist's District to the end of 2006*). The Destor-Porcupine fault bounds the Porcupine sedimentary basin to the south while the Pipestone fault bounds the basin to the north. The section of fault covered by the Company's claims is under-explored; however, previous work has identified gold mineralization in basal till samples and core samples located in close proximity to the property.

On April 27, 2011, the Company entered into an option and joint venture agreement ("JV") with Gowest Gold Ltd. ("Gowest") (TSX Venture: GWA). The terms of the agreement provided an option for Gowest to acquire a 60% or 75% interest in the claims owned by the Company, collectively referred to as the Pipestone Property. Gowest may earn a 60% in the Pipestone Property by making cash payments of \$100,000 (received), issuing 400,000 (400,000 received) common shares of Gowest and incurring exploration expenditures of \$1,000,000 by the 36 month anniversary of the agreement. Furthermore, Gowest retains the one time option upon vesting to increase its ownership from 60% to 75% by issuing an additional 150,000 common shares and incurring an additional \$2,000,000 in exploration expenditures within 2 years.

On February 3, 2014, the option and joint venture agreement was amended to extend the initial expiry date to April 25, 2015. As consideration for this extension, Gowest agreed to issue an additional 100,000 common shares to Transition. On July 31, 2015, a further amendment was entered into between the companies whereby 500,000 (issued) additional common shares of Gowest were issued to TMC to extend the initial option expiration date to April 25, 2016. The Company disposed of all Gowest shares during the year ended August 31, 2016.

Since optioning the property in 2011, Gowest has completed work on the property including a helicopter airborne TEM and magnetic survey, a soil gas hydrocarbon (SGH) sampling program over the southern portion of the property located in Evelyn Township leading to the completion of 9 holes totaling 2,913 metres of diamond drilling. The drilling provided some valuable information to assist future work on the properties, but no significant gold assays were intersected.

On April 25, 2016, Gowest provided notice that it had completed expenditures in excess of \$1.0 million and fulfilled all share and payment requirements to vest a 60% interest in the Pipestone project. Furthermore, Gowest advised that it did not want to exercise its right to increase its interest in the property to 75% subject to the bump-up option provided for within the Agreement. As such, both parties confirm that a joint venture on the project was formed on a 60% Gowest, 40% Transition ownership basis, effective May 25, 2016. On December 19, 2016 Gowest proposed a \$500,000 2017 exploration program to the Joint Venture. Transition has declined its right to participate in this program and as such, its interest may be diluted to approximately 31% if the programs are fully executed by Gowest.

KIDD GOLD PROPERTY (100% TRANSITION METALS CORP.)

The Kidd Gold property is located in Kidd Township approximately 20 km north of Timmins Ontario and consists of 4 claims totaling 448 ha. The property was staked in June of 2012 to cover geology considered prospective for hosting gold mineralization. The property is located approximately 5 km southwest of the currently producing Kidd Creek copper zinc mine owned by Glencore Xstrata PLC. The property is 10 km to the west and along strike of the Pipestone Property, currently under option by the Company to Gowest Gold.

The property straddles a contact between volcanics associated with the Kidd Munro assemblage and metasediments bordering the Porcupine metasedimentary basin. Company geologists interpret that the property may contain fault structures associated with the Pipestone fault. The Pipestone fault is an under-explored gold bearing regional fault in the Timmins Gold camp that runs sub-parallel to the Destor-Porcupine fault (*>60 million oz of historic production – Ontario Geological Survey - Gold production in the Timmins Regional Resident Geologist's District to the end of 2006*). As of the date of this report all claims remain in good standing.

SUDBURY PLATINUM CORP – NI-CU-PGM'S – Associate Subsidiary:

The Company owns 15,000,000 common shares in Sudbury Platinum Corp., (SPC) a subsidiary founded by the Company in 2013 to advance the Aer Kidd project. Following the most recent SPC financing in March, 2016, Transition's ownership position was reduced from 48% to 36%. The Company continues to provide shared technical and management services to SPC under a memorandum of understanding and service agreement. Subject to accounting and disclosure regulations however, Transition no longer controls SPC and is no longer obliged to report its financials with SPC on a consolidated basis. Additional financial information regarding Sudbury Platinum Corp can be obtained at www.sudburyplatinum.com

In October 2013, the principal properties that constitute the Sudbury PGM opportunity (AER Kidd and Owen Nickel) were assigned to Sudbury Platinum Corporation (SPC), a private company founded by the Company to advance these projects. As such, the Company no longer maintains direct property ownership in the Sudbury Ni-Cu-PGM projects, but retains significant ownership and influence in SPC. Sudbury Platinum seeks to fund exploration on the Aer Kidd and Lockerby projects by selling equity following the business model of a traditional junior exploration company.

On March 23, 2016 SPC announced that it had closed a private placement for gross proceeds of \$3,177,956. Proceeds of the transaction were used to acquire the Lockerby and West Graham properties

and to resume exploration drilling at Aer Kidd. On May 5, SPC completed a purchase and sale agreement with Transition to acquire interest in the Lockerby and West Graham properties for costs totaling \$220,081.

On June, 1 2016, SPC initiated a 15,000 metre drill program designed to further test and evaluate the near-surface and deep Ni-Cu-PGM (Pt+Pd+Au) potential of the Aer Kidd property.

On November 21, 2016 SPC announced the results of borehole geophysical work, reporting that it had defined 9 very strong geophysical conductors extending down-dip from the known Lockerby East Deposit to a vertical depth of 2,000 metres situated in close proximity to the basal contact of the Sudbury Igneous Complex (SIC) in an area that has seen minimal previous drilling.

THUNDER BAY – PGM'S – SUNDAY LAKE JV

THUNDER BAY PGM PROJECTS

As of the end of the reporting period, the Company maintains interest in 8 property groupings totaling 9,640 hectares consisting of the Sunday Lake (25% carried), Saturday Night (100%), Empire Lake (100%), Owl Lake (100%), Fraser Lake (100%), Hele (100%), Eva Kitto (100%), and Roaring River projects. The Owl Lake, Empire Lake and Hele projects are subject to a 1.5% NSR held by Impala Platinum Holdings Ltd (Implats). The Sunday Lake is a Joint Venture project between the Company and Implats.

SUNDAY LAKE

The Sunday Lake property is located in north-western Ontario, 25 km northeast of Thunder Bay and 25 km to the west of Panoramic Resources Limited, Thunder Bay North project (formerly known as Current Lake). The property consists of 22 staked claims and optioned property totaling 2,628 ha covering a 3.5 km diameter circular magnetic anomaly associated with a large layered mafic-ultramafic intrusion. The intrusion is considered prospective for hosting platinum group metals or PGM's (platinum, palladium, and gold) as well as nickel and copper.

The property is subject to a number of underlying agreements which are further discussed below:

Parcels 19889, 19890 and eight claims are subject to an option agreement between the Company and RTEC dated May 10, 2013. Under the terms of the option agreement, the Company can acquire a 100% interest in the properties by making payments to RTEC totaling \$350,000 (\$225,000 paid) by the third anniversary of the Agreement, and by making a payment of \$3,500,000 upon commercial production with an additional payment of \$1,500,000 on or before the first anniversary of commercial production. The Company's interest in the optioned properties is also subject to a 1.5% NSR held by RTEC, of which 0.5% can be purchased for \$1,000,000. On June 14, 2016, the Company announced that the final payment to RTEC had been made thus vesting the joint venture's 100% interest in the property grouping subject to the pre-production royalty payments and associated NSR noted above.

Parcel 19889, is subject to an underlying agreement between RTEC and a vendor (assigned to the Company by RTEC) that allows the Company to conduct mineral exploration on the property by making annual rental payments of \$1,132 with an option to purchase the surface and mineral rights by paying the vendors 1 ½ times the fair market value of the premises subject to a 1% NSR, of which the Company can purchase 0.5% for \$250,000. This agreement has been extended to January 1, 2019. Under the terms of extension, the Company made a \$20,000 payment on signing.

Parcel 19890, is subject to an underlying agreement between RTEC and vendors (assigned to the Company by RTEC) that allows the Company to conduct mineral exploration on the property by making annual rental payments of \$1,000, with an option to purchase the surface and mineral rights by paying the vendors 1 ½ times the fair market value of the premises subject to a 1% NSR, of which the Company can purchase 0.5% for \$250,000. This agreement has been extended to December 1, 2019. Under the terms of the extension the Company must make lease payments of \$5,000 upon signing and \$5,000 before December 1, 2017 and has the option to make a \$7,500 lease payment on December 1, 2018 to maintain the lease extension

Parcel 6056 and one claim are subject to an assignment agreement between the Company and RTEC dated March 25, 2013 and underlying agreements between RTEC, Peter DeRozea and the Sunday Lake

Syndicate. Under the terms of this agreement, the Company can earn a 100% interest by making cash payments totaling \$250,000 by March 31, 2014, subject to a 3% NSR held by the vendors. Upon vesting, pre-production royalty payments of \$40,000 per year to a total of \$200,000 are due, the total of which will be deducted from future production based NSR payments. The Company maintains the right to purchase 2% of the NSR from DeRozea and the Sunday Lake Syndicate for \$2.0 million. During the year ended August 31, 2016, a \$140,000 payment to the Sunday Lake Syndicate was made thus vesting the Joint Venture's 100% interest in the property grouping subject to the pre-production royalty payments and associated NSR noted above.

On December 27, 2013, the Company entered into an option to purchase agreement with a private land owner near Sunday Lake. Under the terms of the agreement the Company must make bi-annual lease payments of \$3,000 until June 2016. . The Company retains the right during the option period to purchase a 100% interest in the surface and mineral rights of the property for 1 ½ times the fair market value of the unimproved property, subject to a 1% NSR royalty, for which the Company retains the right to purchase back 0.5% of that Royalty for \$500,000 at any time prior to December 27, 2017.

On January 23, 2013, the Company entered into an option to purchase agreement with a separate private land owner near Sunday Lake. Under the terms of the agreement the Company must make bi-annual lease payments of \$3,725 until July 2018. The Company retains the right during the option period to purchase a 100% interest in the surface and mineral rights of the property for 1 ½ times the fair market value of the unimproved property, subject to a 1% NSR Royalty, for which the Company retains the right to purchase back 0.5% of that Royalty for \$500,000.

On January 27, 2014 the Company announced that it had made a significant platinum discovery on the property, intersecting 20.2 metres grading 3.22 g/t combined PGM's (*Pt+Pd+Au in g/t*).

On February 1, 2014 the Company entered into a joint venture agreement with Implats to further advance exploration activities at Sunday Lake. Under the terms of this agreement, Implats funds 100% of expenses on the project and Transition will hold a 25% free carried interest through to the completion of a feasibility study. TMC retains the ability to participate towards a controlling interest in the project in the event that Implats chooses not to fund a minimum annual exploration budget of \$50,000 or to maintain underlying property agreements.

In 2013, a total of 52 km of grid was cut and the property was mapped in detail by company geologists and partially covered by detailed gravity, ground magnetic and ground electromagnetic surveys. This work led to the identification of a number of drill targets that were investigated by the completion of an initial six hole 2,546 metre drill program late in 2013. Four of the six holes completed returned intersections containing significant platinum-rich mineralization, including hole SL-13-002 which intersected 20.2 meters containing 3.22 g/t combined precious metals (Pt+Pd+Au or PGM's).

Since discovery the Company has completed 20 holes totaling 12,117 metres on the property and continue to intersect significant grades and widths of platinum enriched PGM mineralization.

On November 16, 2015 the Company announced that it had intersected 42.90 metres averaging 3.43 g/t PGM (Pt+Pd+Au) including 10.10 metres of 5.61 g/t PGM associated with basal contact mineralization (see news release dated November 16, 2015).

Highlights from results to date at Sunday Lake are summarized in the table below.

Drill Hole	From (m)	To (m)	Length (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	Pt+Pd+Au (g/t)	Cu (%)	Ni (%)	S (%)
SL-13-002	369.40	371.80	2.40	0.87	0.46	0.03	1.36	0.03	0.04	0.72
and	395.00	415.20	20.20	2.11	0.95	0.16	3.22	0.26	0.11	1.22
including	410.00	413.00	3.00	3.41	1.68	0.28	5.37	0.45	0.13	1.23
SL-13-003	299.00	308.00	9.00	0.91	0.74	0.08	1.73	0.44	0.13	3.05
including	302.00	303.00	1.00	1.73	1.43	0.15	3.31	0.86	0.24	3.05
SL-13-005	164.60	170.60	6.00	0.4	0.31	0.04	0.75	0.13	0.04	0.59
including	167.60	168.60	1.00	0.66	0.59	0.09	1.34	0.31	0.07	0.97
SL-13-006	567.00	575.00	8.00	1.23	0.72	0.09	2.04	0.20	0.08	0.48
and	595.70	602.40	6.70	0.87	0.68	0.05	1.60	0.32	0.17	2.36
including	602.00	602.40	0.40	3.94	3.82	0.06	7.82	1.98	1.10	18.30
and	602.40	612.10	9.70	0.75	0.49	0.06	1.30	0.21	0.04	0.95
including	607.40	609.10	1.70	2.84	1.74	0.25	4.83	0.77	0.05	1.11
SL-14-002	412.00	420.00	8.00	1.13	0.46	0.08	1.67	0.13	0.05	0.74
including	417.00	420.00	3.00	1.80	0.68	0.14	2.62	0.22	0.09	0.94
SL-14-003	389.30	401.00	11.70	1.79	0.94	0.06	2.79	0.12	0.04	2.49
including	391.00	396.00	5.00	3.25	1.65	0.10	5.00	0.14	0.04	3.67
including	393.00	394.00	1.00	6.34	3.22	0.19	9.75	0.24	0.06	3.37
and	501.50	502.10	0.60	0.82	0.68	0.06	1.56	0.24	0.11	0.90
and	526.00	541.00	15.00	1.8	0.92	0.12	2.84	0.22	0.09	0.58
including	532.00	540.00	8.00	2.52	1.16	0.17	3.85	0.30	0.10	0.75
SL-14-004	463.60	465.30	1.70	1.00	0.51	0.07	1.58	0.12	0.05	0.29
SL-14-005	512.00	516.80	4.80	0.61	0.39	0.04	1.04	0.18	0.09	1.23
SL-14-006	825.00	835.90	10.9	1.38	0.83	0.09	2.30	0.30	0.12	0.97
including	831.00	835.90	4.90	1.97	1.19	0.13	3.29	0.41	0.16	1.07
and (FW)	838.50	839.00	0.50	1.20	0.91	0.07	2.18	0.23	0.14	0.89
SL-14-008	656.60	674.40	17.80	1.17	0.70	0.08	1.95	0.27	0.11	NA
including	656.60	663.60	7.00	1.99	1.19	0.12	3.30	0.37	0.15	NA
SL-15-009	682.00	685.00	3.00	1.08	0.62	0.03	1.73	0.02	0.09	0.05
SL-15-010	723.00	738.00	15.0	1.25	0.75	0.08	2.08	0.20	0.08	0.85
including	732.00	737.00	5.00	2.68	1.55	0.18	4.41	0.42	0.12	1.35
including	732.00	733.00	1.00	5.75	3.42	0.31	9.48	0.84	0.19	2.02
SL-15-013	715.70	718.20	2.5	1	0.69	0.1	1.79	0.14	0.04	0.31
and	767.00	771.10	4.10	0.73	0.64	0.06	1.43	0.26	0.11	0.59
and	849.70	892.60	42.90	1.92	1.4	0.11	3.43	0.44	0.17	1.34
including	860.80	865.60	4.80	2.87	2.24	0.16	5.28	0.68	0.22	1.79
including	871.40	881.50	10.10	3.18	2.28	0.16	5.61	0.71	0.28	2.08
including	880.50	881.50	1.00	5.72	3.33	0.31	9.36	0.74	0.24	2.08

Note: Lengths of intersections represent core lengths. True widths have not yet been determined from the available data.

Subsequent to the end of the reporting period the Company entered into a definitive option agreement with Joint Venture partner Impala and North American Palladium Ltd. (NAP) whereby NAP has the right to acquire Implats' 75% ownership in the Sunday Lake Project by completing work commitments totaling \$4.5M and making cash payments of \$3.5M over a five year period according to the following schedule:

Stage 1: NAP may acquire a 51% controlling interest in the property by completing \$1.5M of exploration expenditures and making cash payments of \$75,000 to XTM and \$675,000 to Implats within a two year period; Stage 2: NAP may increase its interest from 51% to 65% by completing an additional \$2.5M of exploration expenditures and making further cash payments of \$125,000 to XTM and \$1.125M to Implats within a two year period; and Stage 3: NAP may further increase its interest from 65% to 75% by completing an additional \$0.5M of exploration expenditures and making final cash payments of \$150,000 to XTM and \$1.35M to Implats within a one year period.

As of the date of this report all claims and optioned properties remain in good standing.

SATURDAY NIGHT

In April 2015, the Company staked a magnetic target comparable to other 'Early Rift' intrusions in this area located approximately 16 kilometres west of its Sunday Lake discovery near Thunder Bay, Ontario. A new target, named "Saturday Night", was highlighted by a recent airborne survey flown by the Ontario Geological Survey (OGS). The Company holds a 100% interest in the property (848 ha) and is seeking a partner to advance it.

In May of 2016, the Company applied for and was granted Junior Assistance Exploration Funding (JEAP) to supplement up to 33% of exploration expenditures incurred on the property. In June, the Company completed 10 east-west lines of ground magnetic data spaced on a 100 metre lines to better profile the Saturday Night target magnetic anomaly in preparation for drill testing. In addition, 70 ground based gravity readings were taken across 5 profile lines spaced 200 metres apart.

In November 2016, the Company completed one drill hole to test targets defined by the summer geophysical program. On January 23, 2017, the Company announced that it had intersected a platinum group element enriched mid-continental rift intrusion. Assays returned 6.25 metres averaging 1.07g/t PGM's including a higher grade section of 4.0 g/t PGM and 0.56% Cu over a core length of 0.30 metres near the interpreted base of a >200 metre thick sequence of early-rift intrusive rocks.

EVA KITTO

The Eva Kitto property consists of 3 claims totaling 548 hectares located on the eastern shore of Lake Nipigon, approximately 12 kilometres west of Beardmore Ontario and owned 100% by Transition Metals. During the reporting period, 7 claims were allowed to lapse. At Eva Kitto, compilation of historical work including airborne geophysics, drilling and geochemistry have led to the identification of targets considered prospective for hosted Ni-Cu-PGM mineralization. The intrusion is large and fertile having formed near the intersection of major regional structures intersecting the Geraldton-Beardmore greenstone belt. Previous drilling on the property intersected elevated Ni-Cu-PGM mineralization including up to 0.6 g/t combined Pt+Pd over 1.22m (Hole 03EK-02). Surface Grab samples have returned values up to ~1.0 g/t Pt+Pd. In 2015, the Company reviewed and re-sampled historical core samples and plans to ground-truth identified drill targets.

NUNAVUT - GOLD, BASE METALS AND DIAMONDS – NRC ALLIANCE

NUNAVUT RESOURCES CORP ALLIANCE

On March 5, 2012, the Company and Nunavut Resources Corp (NRC) executed a strategic alliance agreement ("Alliance") to jointly generate and explore mineral properties in the Kitikmeot Region of Nunavut. Priority areas include the 11,509 km² Inuit Owned Lands ("IOL") and the 572 km² Article 41 Lands on which Inuit owned surface and mineral rights have had relatively little exploration.

Under the terms of the Alliance, the two companies have agreed to work together to identify and acquire properties to explore for and develop mines and infrastructure in the region. NRC provides 100% of the initial funding until JV agreements on specific properties are triggered. Once a JV agreement is entered into, each party must supply proportional funding to maintain its respective interest in the JV or incur dilution. The respective interests range from XTM: 20% - NRC 80% if a JV property is formed on IOL's to XTM 50% - NRC 50% if the JV property is on federal crown land. The Company has the ability to increase its initial interest from 20% to 50% on IOL JV's by solely funding \$2 million. After the formation of any JV, if either party is diluted to a 10% interest, its interest will convert to a 2% NSR of which the other party can purchase 1% at any time for \$1 million.

As a result of activities within the NRC Alliance, the Company has acquired mineral rights in properties in Nunavut which are described in greater detail below. In 2012, the Alliance acquired the Article 41 and Itchen Lake Projects. In 2013 the Alliance acquired the Gondor Lake – CO-82 project which has subsequently been returned. In Q4 2014, the Alliance acquired 3 more properties: Fire Shear -CO-20, Anailik - CO-30 and Arcadia Bay - CO-31 the boundaries of which have subsequently been modified as described in more detail below.

At the end of the reporting period, the Alliance maintained an interest in approximately 79,956 hectares of Inuit owned and federal mining lands in Nunavut.

ARCADIA BAY - CO-31

The CO-31 property is Inuit Owned Land (IOL) acquired by NRC on behalf of the Alliance through a Mineral Exploration Agreement (MEA) with Nunavut Tunngavik Inc. (“NTI”), dated July 1, 2014. The property is located along the south coast of the Coronation Gulf, Arctic Ocean, approximately 25 km west of the proposed port facility in Grays Bay that will be the terminus of the proposed Izok Road Corridor, and approximately 140 km west of the TMAC’s Hope Bay gold deposits. The property hosts a number of intrusive hosted auriferous high grade gold vein systems that have seen only a cursory amount of exploration. Notably the Sidewalk Vein, a 4km long vein system exposed at surface where historical drilling has returned assays up to 21.45 g/t Au over 6.34 metres. Transition has the right to hold an initial 20% interest in the property and the option to increase that interest to 50% by incurring \$2,000,000 of expenditures after a JV is triggered. The size of this property was reduced from 1,353 hectares to 1,056 hectares. In May 2016, the company submitted an application to NTI to acquire additional portions of CO-31.

In November of 2016 an additional 1,286 hectares in CO-31 were added to the existing MEA with NTI. The additional property hosts Archean lode-gold style mineralization with a historical resource of 572,067 tonnes grading 9.6 grams/tonne (g/t) Au (*Watts Griffis McOuat, 1983. Report on the Coronation Gulf, NWT property of Canuc Resources Inc.: Internal company report, Canuc Resources Inc., December, 1986, 108 p.*). This historical resource was completed on November 25, 1983 and is not consistent with NI 43-101 disclosure requirements. While the company considers this historical estimate to be relevant to investors as it may indicate the presence of mineralization, a qualified person for Transition Metals has not done sufficient work to classify the historical estimates as current mineral resources as defined by NI 43-101, and the Company is not treating this historical estimate as current mineral resources.

ITCHEN LAKE PROPERTY

The Itchen Lake Property consists of 10 unpatented contiguous mineral claims covering 10,441 hectares acquired located in the territory of Nunavut approximately 265 km northeast of Yellowknife, Northwest Territories. The property is underlain by rocks of the Archean Yellowknife Supergroup and straddles the contact between the Contwoyto and Itchen Formations. These formations are comprised of metamorphosed greywackes and mudstones deposited in a greywacke-turbidite basin. The primary exploration target is banded iron formation (BIF) hosted gold, similar to the Lupin gold deposit, which is located 60 km east of the center of the Itchen Lake property. The Lupin mine produced 3.36 million ounces of gold at an average grade of approximately 9.3 g/t from over a 22 year period from 1982-2004.

Work was last completed on the project in the summer of 2013 that included 750 line kilometer airborne magnetic and electromagnetic survey and follow up geological reconnaissance that resulted in the identification of 17 new drill targets. Camp and work permits are in place for this program.

In accordance with the alliance agreement, should a JV be triggered, the Company has the option to maintain a 50% participating interest, or dilute down to a 2% NSR. During the reporting period, 5 claims were allowed to lapse.

ARTICLE 41

The Article 41 Lands encompass a 572 km² area, approximately 360 km north-northeast of Yellowknife, Northwest Territories that were granted to the Kitikmeot Inuit Association (KIA) fee simple in 1993. Although the Article 41 Lands are situated within the Slave Diamond District -- with Ekati and Diavik diamond mines 55 km south of the Article 41 Lands and the past producing Jericho mine 50 km to northwest, there has been little to no reported diamond exploration on the bulk of the Article 41 Lands in 20 years.

NRC has entered into a 20 year Mineral Exploration Agreement (MEA) with KIA to explore Article 41 lands. Under the terms of the alliance agreement, The Company has the right to hold an initial 20% interest in the property and the further right to increase that interest to 50% by incurring \$2,000,000 of expenditures after a JV is triggered. As of the date of this report, the MEA remains in good standing.

Work was last completed on the property in 2012 that included the collection of 321 diamond indicator till samples that returned anomalous kimberlite indicator minerals.

FIRE SHEAR – CO-20

The CO-20 property is Inuit Owned Land (IOL) acquired by NRC on behalf of the Alliance through a Mineral Exploration Agreement (MEA) with Nunavut Tunngavik Inc. (“NTI”), dated July 1, 2014. The property consists of two non-contiguous irregular blocks totaling 263.4 km². The property is located 150 km north of the Lupin Mine and Mill complex and is close to the Ulu Gold deposit, an advanced stage gold project with defined resources of 1.13 Mt grading 11.34g/t (*NI 43-101 Technical Report on the Ulu Gold Property, Kitikmeot Area - Nunavut Territory, Canada dated June 27, 2011*), optioned to WPC Resources by Mandalay Resources. The property hosts several high grade gold occurrences including the Fire Shear Zone where previous drilling has intersected up to 9.16 g/t Au over 2.03m and the Ralph Zone which has returned grab samples assaying up to 5.47 g/t Au. Transition has the right to hold an initial 20% interest in the property and the option to increase that interest to 50% by incurring \$2,000,000 of expenditures after a JV is triggered.

ANIALIK – CO-30

The CO-30 property is Inuit Owned Land (IOL) acquired by NRC on behalf of the alliance through a Mineral Exploration Agreement (MEA) with Nunavut Tunngavik Inc. (“NTI”), dated July 1, 2014. The property is an irregular block totaling 155.4 km² located close to the Coronation Gulf covering prospective portions of the Anialik River greenstone belt. The property hosts a number of high grade gold and base metal showings but has seen very little exploration to date. The property is located strategically close to the MMG’s High Lake deposit (*Indicated Resources of 7.9 Mt grading 3.5% zinc, 3.0% copper, 0.3% lead, 83 g/t silver and 1/3 g/t Au plus Inferred Resources of 6.0 Mt grading 4.3% zinc, 1.8% copper, 0.4% lead, 84 g/t silver and 1.3 g/t gold – MMG JORC Compliant Mineral Resource and Ore Reserves Statement 2013*). Transition has the right to hold an initial 20% interest in the property and the option to increase that interest to 50% by incurring \$2,000,000 of expenditures after a JV is triggered.

SEDIMENTARY COPPER - SASKATCHEWAN

JANICE LAKE PROPERTY

The property is located approximately 50 km southeast of Key Lake and 190 km north of La Ronge, in north-central Saskatchewan and consists of 8 claims totaling 6,804 hectares. The property was staked by the Company in 2012 to cover a number of sedimentary hosted copper occurrences in the Janice Lake Area that had been identified by previous explorers. As of the date of this report, the property remains in good standing.

The Janice Lake property is located within the Wollaston Domain, a Proterozoic aged, northeast trending package of tightly folded amphibolite grade metasediments. The area was highlighted by the Saskatchewan Geological survey in 1995 and contains the most significant concentration of sediment hosted copper showings in the Wollaston Domain. The property has been worked periodically since the 1950s with most of the exploration work being done by Great Plains Development Co. in the 1960s and 1970s and Noranda Exploration Company Ltd. in the 1990s that returned encouraging intercepts of copper mineralization including 0.77% Cu over 33.0 metres (hole PL93-11 – Government of Saskatchewan Assessment records). During the 2000’s the property was held by Phelps Dodge Corporation of Canada, Ltd. who conducted a program of exploration drilling that returned encouraging results including 0.81% Cu over 17.83 metres (hole JL03-38 – Government of Saskatchewan Assessment records). Over 20 occurrences of in situ copper mineralization as well as unsourced mineralized boulder trains have been identified in the Janice Lake area. The property also hosts a radioactive showing known as the Joe Uranium Occurrence. One hole drilled in the vicinity of this showing by Noranda in 1992 is reported to have intersected 0.98% U₃O₈ over 3.5 metres.

The Company conducted field investigations in 2012 that returned samples up to 9.35% copper and 61.7 g/t silver, completed a Soil Gas Hydrocarbon (SGH) orientation survey and acquired 525 line km² of regional airborne geophysical data (EM, Mag, Gamma) as well as historical mag and IP data. In 2014 the Company completed a 700 line kilometre versatile time domain electromagnetic (VTEM) and horizontal magnetic gradiometer airborne survey that identified extensive anomalies. Follow-up ground work identified a number of new potential targets that correlate with areas of interest identified by the magnetic and EM responses of the VTEM survey. The Company is actively seeking a partner to help it advance this prospective copper opportunity.

OTHER PROJECTS

NEW NICKEL EXPLORATION ASSETS – ONTARIO

On January 25, 2016 the Company purchased approximately 8,700 hectares of mining claims, leases and patents, some of which conveying real property rights through a purchase agreement with the court appointed receiver of First Nickel Inc. in consideration of \$100,000 cash and 980,392 common shares. Included in the purchase were three Ni-Cu-PGM exploration projects; Lockerby East, Dundonald, and Bancroft, which are summarized below.

LOCKERBY EAST PROPERTY (Ni-Cu-PGM's)

Included in the purchase was approximately 390 hectares of freehold patents located on the south range of the Sudbury Igneous Complex (SIC), Sudbury, Ontario including 100% of the Lockerby East and South Patents as well as a 70% interest in the West Graham Property (30% owned by Landore Resources Canada Ltd.). In 2009, First Nickel disclosed a NI 43-101 Indicated Resource for the Conwest Zone at West Graham totaling 8.55 million tonnes grading 0.45% Ni and 0.31% Cu, along with an Inferred Resource of 2.0 million tonnes grading 0.38% Ni, 0.30% Cu³. Adjacent to this resource at depth lies the Lockerby East Zone⁴ where First Nickel disclosed an indicated resource of 0.18 million tonnes grading 2.32% Ni and 0.78% Cu in 2009. The Company considers the cited public domain resource estimates to be historical in nature and cautions the reader that they may no longer be relevant. The acquisition of the Lockerby East and West Graham property does not include certain property associated with the Lockerby Mine site which is currently in the process of closure on behalf of the province of Ontario.

On May 5, 2016, the Company announced that it had assigned its interest in the Lockerby East and West Graham properties to Sudbury Platinum for costs totaling \$220,081.

DUNDONALD PROPERTY (Ni-Cu-PGM's and Cu-Zn)

The Dundonald property near Timmins consists of approximately 950 hectares of freehold patents, mining leases and claims and hosts a small NI 43-101 resource totaling 116,000 tonnes grading 3.16% nickel⁵ which remains open at depth. The Company considers the disclosed resource estimate for Dundonald to be historical in nature and cautions the reader that it may no longer be relevant. Nickel mineralization is associated with a similar depositional setting to the recently discovered Grasset Nickel deposit in Quebec. The Dundonald property also hosts a copper-zinc occurrence known as the Terminus zone. Drilling by Falconbridge in 1990's on the Terminus Zone intersected a 10.1 m core length of 1.37% Cu, 7.53% Zn, 0.13% Co, 1.1 g/t Au, and 2.9 g/t Ag.

3. *Technical Report on the West Graham Property Conwest Zone Resource Estimate, Graham Township, Ontario Canada prepared by Scott Wilson Roscoe Postle Associates Inc., January 15, 2009*

4. *Technical Report on the 2009 Resource Estimate for the Depth, East and Upper West Zones, Lockerby Mine, Sudbury, Ontario, prepared by First Nickel Inc., February 23, 2009*

5. *Technical Report on the Dundonald Project, Dundonald and Clergue Townships, Porcupine Mining Division, Ontario for First Nickel Inc., G.A Haron, P/Eng, January 30, 2009*

BANCROFT (Ni-Cu-PGM's)

The Raglan Hills project consists of approximately 7,351 hectares of mining claims located in the Southern Mining district near Bancroft, Ontario. In 2009 First Nickel announced the discovery of a new zone of PGM mineralization at Raglan Hills upon intersecting 5.05 metres grading 0.762 g/t platinum and 1.216 g/t palladium. During the reporting period, 13 claims totaling 1,568 hectares were allowed to lapse.

TIMBERWOLF PROPERTY – NI-CU-PGM'S – MINNESOTA USA (OPTIONED TO THOR METALS)

The Timberwolf Project is located in Aitkin County, approximately 70 km west of Duluth Minnesota, USA adjacent to and contiguous with Kennecott's Tamarack Ni-Cu-PGM deposit.

On February 26, 2010, the Company was granted 17 mineral leases for 20 years in the Aitkin and Carlton counties by the State of Minnesota. Each lease is subject to an escalating underlying royalty ranging from 0.5% to 2.5% above the stated baseline state royalty which is linked to ore value at the time of production. As of the reporting date the Company maintains 2 state mining leases totaling 259 ha contiguous to the Tamarack property.

In 2013, the Company drilled one hole to test a coincident conductivity magnetic geophysical anomaly occurring approximately 5 kilometres along trend to the northwest from Kennecott's Tamarack Ni-Cu-PGM deposit, intersecting a thick sequence of conductive graphite, but no significant nickel-PGM mineralization. A second conductive target on the property remains untested.

On February 27, 2015, the Company announced that it had executed an agreement whereby the Company has granted Thor Metals Pty Ltd (Thor Metals), an Australian private corporation, the ability to purchase a 100% interest in its Timberwolf Ni-Cu-PGM project located 5 kilometres north of the Tamarack Ni-Cu-PGM deposit in Aitkin County Minnesota. During the reporting period the project was returned to Transition from Thor having completed no work. The property is now available for option.

HOMATHKO PROPERTY – GOLD – BRITISH COLUMBIA

The Homathko Property consists of 9 claims totaling 2,985 ha is located in the Caribou Regional District, British Columbia, approximately 200 km west of Williams Lake in the western portion of the Chilcotin region. The properties were staked to secure a land package around a high grade gold showing discovered by Falconbridge in the 1960's which returned assays up to 11 oz/t (342 g/t) Au. During the reporting period 6 claims were staked to reconsolidate the Company's land position around the Homathko showing. As of the date of this report, all remaining claims are in good standing.

The claims cover exposures of altered metavolcanic and metasedimentary sequences belonging to the prolific metallogenic Stikine terrain. The Stikine is host to numerous world class gold and polymetallic base metal deposits (Bralorne/Pioneer, Galore Creek, Red Chris, Kemess, Gibraltar, Highland Valley, Eskay Creek, Minto). Mapping and prospecting work completed by the Company in 2010 through 2013 has defined a widespread gold system associated with altered porphyry and mafic volcanic rocks approximately 1,500 metres in strike length and up to 140 metres wide on the north slope of Mount Homathko. Elevated gold values were detected at sporadic locations across the zone with the best grab sample returning 87 g/t Au. There is no record of previous ground work on the Homathko Property other than preliminary prospecting.

On July 6, 2017, the Company announced that it had entered into an Option agreement with Shamrock Enterprises Inc (Shamrock) to option a 100% interest in the claims to Shamrock in exchange for \$5,000 cash, \$100,000 worth of Shamrock stock and completing \$500,000 of exploration expenditures within 3 years. If Shamrock earns its interest, Transition will hold 2% Net Smelter Return royalty (NSR), of which Shamrock can purchase half (1% NSR) for \$1,000,000 at any time.

DOHERTY LAKE PROPERTY – GOLD AND BASE METALS - ONTARIO

The Doherty Lake Property consists of 5 mining claims located in central Demorest Township, Sudbury Mining District, Ontario. The property is located approximately 65 km northeast of the town of Capreol. The property hosts occurrences of elevated Au-Ag-Cu-Pb mineralization associated with a flat lying shear zone occurring within a Nipissing Gabbro sill. The Company owns a 100% interest in the property subject to a 1% NSR, which can be purchased at any time for \$500,000.

NORTH VERMILION – SUDBURY BASIN VMS CU-ZN - ONTARIO

On June 1, 2014, 6 claims totaling 224 ha were staked in Fairbanks Township, Sudbury Mining District contiguous to Glencore's Errington and Vermilion copper zinc development project, approximately 12 km west of Chelmsford Ontario. Glencore has reported resources of 10 Mt of 3.8% zinc, 1.23% copper, 1.06% lead, 50.53 g/t silver and 0.73 g/t Au defined at the Errington deposit, and 3 Mt of 4.5% zinc, 1.46% copper, 1.46% lead, 53.77 g/t silver and 0.89% gold at the Vermilion deposit. The Company interprets that

extensions of favourable ore hosting stratigraphy may extend onto portions of the properties acquired. The claims are owned 100% by the Company.

BASS LAKE – GOLD - ONTARIO

The mining rights only of three patents located on the south shore of Bass Lake totaling 48 hectares are 100% owned by Transition Metals. The property is known to host a gold occurrence described as gold mineralization in a quartz carbonate stockwork developed in brecciated and albitized Huronian sediments located approximately 4 kilometres north of the past producing McMillan gold mine in Mongowin Township. To date, the Company has not completed any work on this property.

Please see the following table for detailed project expenditures.

Interest in Exploration and Evaluation Properties	Project Generation Expenditures \$	Gowganda \$	Matachewan \$	Golden Elk \$	Elephant Head \$	Jumping Moose \$	Lincoln Nipissing \$	Midlothian \$	NRC Project Generation Expenditures \$	NRC Itchen Lake \$	NRC Article 41 \$	NRC CO-20 Fire Shear \$	Janice Lake \$	Saturday Night \$	Sunday Lake \$	Hele \$	Eva Kitto \$	Timberwolf \$	Other \$	Former Projects \$	Total \$
Acquisition costs																					
Balance August 31, 2015	118,951	12,365	16,083	26,123	-	10,000	-	-	1,000	22,975	-	-	-	-	397,154	101,828	24,873	111,393	9,116	2,449,848	3,283,477
Additions for the period	-	3,487	-	5,955	-	5,012	-	-	-	-	-	-	-	-	276,824	-	-	5,675	17,971	-	314,924
Write down of mineral exploration property acquisition costs	-	-	-	34,500	-	35,500	-	-	-	-	-	-	30,000	-	-	-	-	-	-	60,000	160,000
Recovery of acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,924)	-	-	(4,924)
Balance May 31, 2016	118,951	15,852	16,083	66,578	-	50,512	-	-	1,000	22,975	-	-	30,000	-	673,978	101,828	24,873	112,144	68,855	2,449,848	3,753,477
Balance August 31, 2016	121,546	15,852	64,083	76,578	55,000	100,512	-	301,415	1,000	22,975	-	-	30,000	2,720	680,702	101,828	24,873	116,142	91,695	2,449,848	4,256,769
Additions for the period	-	-	-	-	-	2,030	50,685	-	-	3,982	-	-	-	2,456	72,612	-	-	9,434	14,094	-	155,293
Write down of mineral exploration property acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of acquisition costs	-	-	-	-	(10,000)	(10,000)	-	-	-	-	-	-	-	-	-	-	-	(5,058)	-	-	(25,058)
Balance May 31, 2017	121,546	15,852	64,083	76,578	45,000	92,542	50,685	301,415	1,000	26,957	-	-	30,000	5,176	753,314	101,828	24,873	120,518	105,789	2,449,848	4,387,004
Exploration Costs																					
Balance August 31, 2015	2,938,027	80,724	38,097	77	18,028	40,706	-	-	475,713	168,976	401,001	212,432	331,367	-	1,484,601	1,080,118	43,501	369,142	102,319	2,509,058	10,293,887
Assays, core logging and sampling	1,152	74	1,134	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,360
Camps, accommodations and meals	2,653	1,733	2,222	14	446	328	-	-	147	-	-	-	-	-	24,372	-	-	-	-	-	31,915
Drilling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225,911	-	-	-	-	-	225,911
Geophysical, geochemical and geological	39,995	5,567	5,445	-	556	6,987	-	-	14,540	765	-	6,847	-	-	41,213	-	1,530	-	36,244	-	159,689
General and Administrative	810	-	-	-	-	-	-	-	503	-	-	-	-	-	-	-	-	-	-	-	1,313
Recovery of exploration costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions for the period	44,610	7,374	8,801	14	1,002	7,315	-	-	15,190	765	-	6,847	-	-	291,496	-	1,530	-	36,244	-	421,188
Balance May 31, 2016	2,982,637	88,098	46,898	91	19,030	48,021	-	-	490,903	169,741	401,001	219,279	331,367	-	1,776,097	1,080,118	45,031	369,142	138,563	2,509,058	10,715,075
Balance August 31, 2016	3,001,666	94,436	47,246	91	19,030	50,549	-	86,270	524,937	171,016	401,001	234,189	331,317	8,181	1,781,815	1,080,118	45,031	369,142	183,190	2,509,058	10,938,283
Assays, core logging and sampling	364	4,661	-	-	-	-	-	2,720	11,440	-	-	-	-	-	-	-	-	-	-	2,279	21,464
Camps, accommodations, meals, travel	2,784	31,266	-	-	-	484	6,407	904	99	-	-	-	8,368	15,062	15,779	-	-	-	2,185	-	83,338
Drilling and Trenching	-	180,246	-	-	-	-	-	-	-	-	-	-	-	72,597	-	-	-	-	-	-	252,843
Geophysical, geochemical and geological	41,328	146,302	66	130	1,403	3,056	45,267	379	3,630	-	1,559	5,083	9,828	6,943	-	3,000	-	28,385	-	-	296,359
General and Administrative	-	-	-	-	-	-	7,000	-	-	-	-	-	-	-	-	-	-	-	178	-	7,178
Recovery of exploration costs	-	(236,122)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	236,122
Additions for the year	44,476	126,353	66	130	1,403	3,540	54,394	19,723	3,729	-	-	1,559	13,451	97,487	22,722	-	3,000	-	33,027	-	425,060
Balance May 31, 2017	3,046,142	220,789	47,312	221	20,433	54,089	54,394	105,993	528,666	171,016	401,001	235,748	344,768	105,668	1,804,537	1,080,118	48,031	369,142	216,217	2,509,058	11,363,343
Total additions for the period ended May 31, 2016	44,610	10,861	8,801	40,469	1,002	47,827	-	-	15,190	765	-	6,847	30,000	-	568,320	-	1,530	751	114,215	-	891,188
Total additions for the period ended May 31, 2017	44,476	126,353	66	130	(8,597)	(4,430)	105,079	19,723	3,729	3,982	-	1,559	13,451	99,943	95,334	-	3,000	4,376	47,121	-	555,295

DISCUSSION OF OPERATIONS

SELECTED QUARTERLY FINANCIAL INFORMATION

Operating expenses for the three months ended May 31, 2017 were \$669,439 compared to \$332,501 in the May 2016 comparative quarter, Exploration and Evaluation expenditures were \$182,660 in the quarter and were higher than the comparative quarter (2016 \$133,960). This was a result of increase activity by Canadian Gold Miner in the Abitibi region. As a result of marketing to complete private placements at Canadian Gold Miner investor relations were \$26,292 higher than in the comparative quarter. Professional fees were \$26,460 in the quarter compared to \$nil in the comparative quarter. The quarter contained corporate legal work in connection with various property acquisition and disposition agreements including the IAM Gold options by Canadian Gold Miner. Office and general expenses increased in the quarter by \$38,014 as compared to the comparative quarter due to Canadian gold miner being active in the quarter as compared to nil costs in the comparative quarter. Stock based compensation was 239,700 as a result of Transition metals and Canadian Gold Miner issuing stock option in the quarter. The Company's portion of SPC losses for the quarter, a non cash expense was \$187,389. All other operating expenses remained materially unchanged from the comparative quarter.

A summary of selected unaudited financial information for the past eight quarters is presented below:

Three Months Ending (Unaudited)	May 31, 2017	February 28, 2016	November 30, 2015 \$	August 31, 2016
Operating Expenses	(669,937),	(334,439)	508,038	828,567
Income (Loss) from Operations	(819,947)	(402,411)	(891,368)	(260,775)
Net Income Loss for the period	(819,947)	(402,411)	(891,368)	(260,775)
Income (Loss) per share – basic and fully diluted	(0.02)	(0.01)	(0.02)	(0.00)
Total Assets	5,972,740	6,347,345	6,277,773	6,950,724
Total Liabilities	263,230	414,557	611,575	268,157

Three Months Ending (Unaudited)	May 31, 2016 \$	February 29, 2016 \$	November 30, 2015 \$	August 31, 2015 \$
Operating Expenses	(332,501)	(583,014)	(723,843)	(518,257)
Income (Loss) from Operations	3,529,382	(422,376)	(719,489)	324,139
Net Income Loss for the year	3,490,382		(719,489)	324,139
Income (Loss) per share – basic and fully diluted	0.10	(0.01)	(0.02)	0.01
Total Assets	6,708,024	2,869,285	3,191,468	4,087,902
Total Liabilities	240,934	242,717	290,968	467,913

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2017, the Company had cash balances of \$1,508,721 compared with \$1,616,132 as at August 31, 2016. The Company had working capital of \$1,539,232 which management believes is sufficient to pay ongoing administrative expenses for the next twelve months and to satisfy current liabilities of \$263,230 as at May 31, 2017. The following financing activities were completed in the current and comparative period as follows:

- (i) Nine-month period ended May 31, 2017

in February 2017, CGM completed a private placement for gross proceeds of \$460,250. CGM issued 3,029,998 common shares at \$0.15 per common share and \$0.20 per common flow through share. Concurrently CGM issued 1,333,333 common shares at a deemed price of \$0.15 in

accordance with a mineral property option agreement. After giving effect to the issuances, TMC held approximately 54% of the common shares of CGM. Total share subscriptions by directors and key management personnel of TMC were 200,000 common shares for proceeds of \$30,000.

In April 2017, CGM completed private placement for gross proceeds of \$357,000. CGM issued 2,380,000 common shares at \$0.15 per common share. Concurrently CGM issued 50,000 common shares at a deemed price of \$0.15 in accordance with a mineral property option agreement. After giving effect to the issuances, TMC held approximately 50% of the common shares of CGM.

There were no material financing activities in Transition Metals

(ii) Year ended August 31, 2016

On January 25, 2016, the Company completed the acquisition of several exploration properties for the issuance of 980,392 common shares valued at \$100,000.

On August 18, 2016, CGM completed a private placement for gross proceeds of \$495,000. CGM issued 4,950,000 common shares at \$0.10 per share. Total share subscriptions by directors and key management personnel of TMC were 700,000 common shares for proceeds of \$70,000

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover and develop economically viable mineral deposits and to raise money to support the discovery and development of such mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. There is no assurance that new funding will be available at the times required or desired by the Company. See "Risk Factors". Currently, the Company holds exploration projects and it is anticipated that additional equity financing will be available going forward. Equity markets do fluctuate which could affect timing of future financings. The Company continues to source other avenues of financing, including strategic partnerships in relation to its non-material properties, which may reduce the Company's reliance on equity financing.

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT JULY 20, 2017)

The capital structure of Transition Metals is:

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments with maturity of three months or less to be cash equivalents. As at May 31, 2017 the Company had \$1,508,721 in cash and cash equivalents (August 31, 2016 - \$1,616,132)

Financial Instruments

The Company currently hold shares in Aldershot Resources Ltd. a TSX Venture company, and has designated its investment as held-for-trading, which is measured at fair value. Unrealized gains or losses are recorded in the statement of comprehensive loss. All financial instruments are initially recognized at fair value on the balance sheet. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss (“FVTPL”), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets “available-for-sale” are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets “held-to-maturity”, “loans and receivables”, and “other financial liabilities” are subsequently measured at amortized cost using the effective interest method.

The Company’s financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash	Held for trading	Fair value
Investments	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payables & accrued liabilities	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table illustrates the classification of the Company's financial instruments, measured at fair value in the statements of financial position as at May 31, 2017 and August 31, 2016 categorized into the levels of the fair value hierarchy.

	Level 1 (Quoted market price)	Level 2 (Valuation technique observable market inputs)	Level 3 (Valuation technique non-observable market inputs)
	\$	\$	\$
Investments	65,000	-	-
GIC's	-	49,092	-
May 31, 2017	65,000	49,092	-
Investment in marketable securities	65,000	-	-
GIC's	-	48,839	-
August 31, 2016	65,000	48,839	-

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

RISKS AND UNCERTAINTIES

Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. In addition to exploration risk, the Company is faced with a number of other risk factors. See "Risk Factors".

TRANSACTIONS WITH RELATED PARTIES

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

- a) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the nine months ended May 31, 2017 and 2016 was as follows:

	<u>2017</u>	<u>2016</u>
Short term benefits	\$ 210,154	\$ 95,627
Share based payments	98,500	-
	<u>\$ 308,654</u>	<u>\$ 95,627</u>

Short term benefits are included in: consultant fees and exploration and evaluation expenditures. Included in accounts payable and accrued liabilities as at May 31, 2017, is \$50,934 (August 31, 2016 - \$15,923) owing to officers and management of TMC. The amounts are unsecured, non-interest bearing, and are due on demand. Included in accounts receivable as at February 28, 2017 is \$54,011 (August 31, 2016 – \$100,590) due from SPC. This amount is unsecured, non-interest bearing and due on demand.

COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through Expenditures

The Company has indemnified the subscribers for any tax related amounts that become payable by the subscriber as a result of the Companies not meeting their expenditure commitments. As at May 31, 2017, all required flow through funds had been spent.

RISKS FACTORS

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of

the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operation costs are estimated to be greater than projected prices of product. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date the Company has recorded no revenues from exploration operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that Transition Metals will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Mineral Commodity Prices

The value of the Company's properties will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Environmental

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the value of its properties. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be

challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase costs of projects.

Competition

Transition Metals competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

Transition Metals has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on Transition Metals.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of Transition Metals may have a conflict of interest in negotiating and concluding terms respecting such participation.

Litigation

Transition Metals has entered into legally binding agreements with various third parties on a consulting and partnership basis. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and Transition Metals may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Transition Metals to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on Transition Metals.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, and impact decisions as to when exploration and development costs should be capitalized or expensed. The most significant estimates are the valuation of the interest in exploration properties and future income tax assets. The Company regularly reviews its estimates and assumption; however, actual results could differ from these estimates and these differences could be material.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes to the Company's internal control over its financial reporting for the period ended May 31, 2017, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

As of May 31, 2017, the Company evaluated its disclosure controls and procedures and internal control over financial reporting. These evaluations were carried out under the supervision of the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Based on these evaluations, the CEO and CFO concluded that the design and operation of these internal controls and procedures and internal control over financial reporting was effective.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact relating to Transition Metals certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from current project properties. Please see Risk Factors section of this MD&A. In particular, the current state of the global securities markets may cause significant fluctuations and/or reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

Outlook

The Company will continue to develop its Project Generator business model which involves the acquisition and sale of the projects identified and generated by the Company. At present the Company has partners and funding arrangements in place to advance or maintain its interest in approximately 975 km² of mining properties, representing approximately 78% of company holdings. The Company intends to continue to develop and advance its portfolio projects with the objective of attracting new funding partners to further

leverage the Company's exposure to the value creation that can come from the discovery of new mineral deposits.

Partnered projects that the Company considers key to driving value into the next period include: gold projects in the Abitibi which are being advanced by CGM, the Aer Kidd Project being advanced by SPC in Sudbury and the Sunday Lake PGM-Cu-Ni joint venture with Implats (now optioned to North American Palladium) near Thunder Bay.

Canadian Gold Miner is engaged in raising \$1.0-2.0 million to conduct exploration work on its South Kirkland project area with an objective of completing a significant liquidity transaction in 2017.

Responsibility for financial statements

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

As part of the oversight role of the Board of Directors to ensure the Company's disclosures contain no misrepresentations, the Audit Committee reviews the interim and annual financial statements and MD&A prepared by management, and the preparation process. The Audit Committee, once satisfied, recommends the statements and MD&A to the Board of Directors for approval. The Board as a whole considers the financial statements and MD&A before approving them for filing in the prescribed manner.

Internal controls

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

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.