



## MANAGEMENT DISCUSSION & ANALYSIS

**FOR PERIOD ENDED**  
**August 31, 2017**

### **Introduction**

**October 30, 2017**

The following Management's Discussion and Analysis ("MD&A") of the financial condition of Great Atlantic Resources Corp. ("the Company") and results of operations of the Company, should be read in conjunction with the unaudited interim financial statements including the notes thereto for the six months ended August 31, 2017 and the audited financial statements including the notes thereto for the years ended February 28, 2017. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The financial statements are presented in accordance with International Financial Reporting Standards ("IFRS). The Company's accounting policies are described in Note 2 of the Audited Financial Statements. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

All monetary amounts are in Canadian dollars unless otherwise specified. Additional information regarding the Company and its operations can be obtained from the office of the Company or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Description of Business**

Great Atlantic Resources Corp., ("the Company") is an exploration company engaged in exploration and evaluation of resources properties. In this regard, the Company's plan is to acquire properties of merit and take them through the exploration phase and hopefully through feasibility and on to construction and operations.

The Company has been focused on acquiring and exploring mineral properties in the Atlantic Canada region. This region was rich in historical mining with many past producing mines in the region that have seen little to no drilling or modern day exploration programs.

The Company is a reporting issuer in British Columbia and Alberta and its shares are listed on the TSX Venture Exchange under the symbol GR.V.

### **Overall Performance**

The level of the Company's future operations will be determined by the availability of capital resources, which will be derived from the issuance of special warrants and future financings.

The Company has incurred losses since its inception, and had an accumulated deficit of \$14,494,287 as at August 31, 2017 which has been funded primarily by the issuance of shares. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing

or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

Activities of the Company are focusing on the development of mineral exploration projects in Atlantic Canada region, primarily through acquisitions.

The Company hired AGORACOM a network and search engine marketing for over 12 months for implementing an online marketing and awareness campaign focusing on the exploration activities of the Company. In addition, exclusive sponsorships of invaluable digital properties such as AGORACOM TV, the AGORACOM home page and the AGORACOM Twitter account will serve to significantly raise the brand awareness of the Company among small cap investors.

### ***Private Placement and Share issuance***

In May 2017, the Company completed a private placement of \$160,000 by issuing 2,000,000 units at a price of \$0.08 per unit. Each unit consisted of one common share and one share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of \$0.10 per share for a period of 5 years expiring May 19, 2022.

The Company completed a private placement of \$1,000,000 by issuing 10,000,000 units at a price of \$0.10 per unit. Each unit consisted of one common share and one share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of \$0.125 per share for a period of 5 years as follows:

- a) Tranche 1 - \$435,000 by issuing 4,350,000 units at a price of \$0.10 per unit. Each unit consisted of one common share and one share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of \$0.125 per share for a period of 5 years expiring June 9, 2022. Finders' fees of \$18,500.00 were paid and 185,000 agent's warrants with a fair value of \$23,700.00 were granted
- b) Tranche 2 - \$232,500 by issuing 2,325,000 units at a price of \$0.10 per unit. Each unit consisted of one common share and one share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of \$0.125 per share for a period of 5 years expiring June 14, 2022. Finders' fees of \$13,250.00 were paid and 132,500 agent's warrants with a fair value of \$16,940.00 were granted.
- c) Tranche 3 - \$332,500 by issuing 3,325,500 units at a price of \$0.10 per unit. Each unit consisted of one common share and one share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of \$0.125 per share for a period of 5 years expiring June 26, 2022. Finders' fees of \$7,500.00 were paid and 75,000 agent's warrants with a fair value of \$8,236.00 were granted.

### ***Exploration Project***

#### **Porcupine Property, New Brunswick, Canada**

During the year ended February 28, 2011, the Company executed an option agreement to earn up to a 100% undivided interest in the Porcupine-Upper Miramichi Rare Earth Property located in New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendors a \$6,000 cash option payment upon signing of the agreement (paid), and an additional \$6,000 cash payment within 8 working days of the date of the agreement (paid). The Company will also undertake to spend total minimum work commitments on the property of \$120,000 over the next five years. The Company will also make payments to the vendors of \$110,000 over the next five years (\$60,000 paid). Upon completion of the minimum work commitments and payments above, the Company will earn a 100% undivided ownership interest in the property.

During the year ended February 28, 2017, the Company signed an amended option agreement with the vendors, whereby both parties agreed to extend the fourth anniversary option payment originally due on October 12, 2015 to June 12, 2017. As part of this agreement, the Company agreed to issue an additional 100,000 common shares fair valued at \$10,000 to the vendors (paid and issued).

In August 2017, the Company signed an option agreement with Fort St James Nickel Corp. (“FTJ”) to acquire Porcupine Property located in the province of New Brunswick. Under the terms of the option agreement, Fort St. James is required to make the following payments to earn a 100% interest in the property:

- Pay \$15,000 in cash and issue 500,000 common shares (paid and issued) within five days by October 6, 2017 (the “Approval Date”);
- Pay \$20,000 in cash and issue \$75,000 in common shares on or before the first anniversary on or before October 6, 2018;
- Pay \$20,000 in cash and issue \$75,000 in common shares on or before the second anniversary on or before October 6, 2019;
- Pay \$20,000 in cash and issue \$75,000 in common shares on or before the third anniversary on or before October 6, 2020; and
- Pay \$75,000 in cash and issue \$200,000 in common shares on or before the fourth anniversary on or before October 6, 2021.

The Company is also required to spend \$1,000,000 in exploration expenditures on the property over a four year period with a minimum of \$150,000 each year.

The property consists of 102 claims held in three separate claim blocks covering approximately 2,250 hectares. The Company completed a soil geochemical program in 2011 confirming Heavy and Light Rare Earth Elements (HREE and LREE) anomalies in the south western region of the property.

The company completed a trenching program in the northwest region of the property in 2012. A base metal and silver bearing mineralized shear zone was exposed in one trench referred to as the Line 4W Trench. The maximum observed zone width is 4.5 meters and within a few meters along strike this narrows to 1.5 meters. Channel samples were taken from the shear zone. One channel across the zone returned 1.88 % Zn, 0.88% Pb, 0.16% Cu and 11.1g/t Ag / 1.4 meters. Another 1 metre channel sample across the zone returned 5.48% Zn, 1.08% Pb, 0.36% Cu and 10.8 ppm Ag. During the course of stripping this zone, abundant large boulders of sheared felsic volcanics were seen to occur at the contact of the till and the bedrock surface within the lodgement till. While these boulders are visually similar to those uncovered in the trenching, geochemically they are quite different – particularly in their Bismuth (Bi) content. The bedrock sampling showed the exposed zone to contain 10 – 20 ppm Bi whereas the “float” samples contain between 130 and 210 ppm Bi, indicating a similar but separate source for the float material. The occurrence of these mineralized boulders wedged into depressions in the bedrock surface initially led to the conclusion that the boulders were actually broken bedrock from the immediate area. When the exposure was washed and the till more closely examined, it became apparent that the more strongly mineralized float was carried by the ice from a location to the west.

A summary of the channel samples is listed below;

Sample #	Width meters	Ag-g/t	Cu-ppm (%)	Pb - %	Zn-ppm (%)	Bi-ppm
T4W- 1	1.4	11.1	1640 (0.16)	0.88	18800 (1.88)	21
T4W- 2	4.6	7.86	2300 (0.23)	0.67	7500 (0.75)	8.6
T4W- 3	1.0	10.8	3650 (0.37)	1.08	54800 (5.48)	14

Geophysical and geochemical surveys completed in 2011 identified a strong chargeability anomaly associated with the contact zone between a foliated biotite granite and mafic metavolcanics of the Lower Ordovician Malcolm Brook Formation which was 75 to 100 meters in width, 600 meters in length and open to the east. Follow-up “B” horizon soil geochemistry outlined a coherent Lead (Pb) - Zinc (Zn) anomaly of up to 600 parts per million (ppm) Pb + Zn lying immediately downslope of the Induced Polarization (IP) anomaly.

### Keymet Property, New Brunswick, Canada

During the year ended February 28, 2012, the Company completed a Property Option Agreement whereby the Company has been granted an option to acquire a 100% interest in the Keymet Property, located NNW of Bathurst, New Brunswick. Consideration is \$50,000 cash (\$30,000 paid) and 250,000 shares (all issued) payable over four years. The property is subject to a 2% NSR with the Company retaining the right to purchase one half for \$500,000.

The Keymet Precious and Base Metal Project covers approximately 3,560 hectares and is named after a small past producing mine located on the property. The Keymet area first came to note in 1909 with the discovery of a 6.7 meters wide quartz-carbonate-sulphide vein (galena, sphalerite, chalcopyrite, pyrite, arsenopyrite). In 1948 it was announced that the Keymet vein was drilled to 137 meters in depth with an average 2.4 meters in width and traceable over a strike length of 341 meters. Assays from surface exposure gave 4.2 meters of 8.48%Pb, 10.99%Zn, and 2.96opt (ounces per ton) Ag. In 1950 a shaft was sunk to the 274 meter level with drifts established on the 45, 91, and 137 meter levels. Production commenced in 1954 and by 1956, the shaft was down to the 366meter level. Production ceased in 1956 when a fire destroyed the mine buildings. A total of 56,000 tons @ 0.25% Cu, 2.44%Pb, 2.59% Zn and 0.99 opt Ag was produced between 1954 and 1956.

The Company's geologists have collected grab samples from the dump rock at the Keymet shaft and a typical Pb/Zn sample from the ore dump ran 549 gpt Ag, 2.35% Cu, 33.90% Pb and 22.90%Zn. A sample of massive pyrite with stringer chalcopyrite, galena, sphalerite and arsenopyrite assayed 415 gpt Ag, 4.22% Cu, 1.23% Pb, and 1.48% Zn. The Company's geologists have located gold bearing float boulder in the northern region of the property northwest of the historic Keymet mine with boulder samples returning up to 51 g/t Au.

#### *Exploration work on the project*

On October 29, 2015, the Company has received analyses and assays for rock samples collected during a recent trenching program at its Keymet Precious – Base Metal Project, located in northeast New Brunswick. The Keymet project is located approximately 20 kilometres northwest of Bathurst and covers an area of approximately 3560 hectares.

The trenching program was conducted during July in the northwest region of the Project, targeting an area approximately 1.3 – 1.6 kilometres northwest of the historic Keymet Base Metal – Silver Mine. Trenching was conducted in the area of the Elmtree 12 base metal and silver vein occurrence and an area of gold soil anomalies, gold bearing float and gold bearing trench bedrock as discovered by Great Atlantic during 2011 and 2012. Nine trenches were excavated. Grab and channel samples of bedrock and grab samples of float in till were collected in some trenches and submitted to ALS Minerals for multi-element analysis and gold assay. The samples were assayed for gold by Fire Assay – Atomic Absorption Spectroscopy (AAS) and analyzed for 33 elements (including silver, lead, zinc, copper, bismuth and molybdenum) by Four Acid, Inductively Coupled Plasma – Atomic Emission Spectroscopy (ICP-AES).

Trench 1 and Trench 6 were excavated at the documented location of the Elmtree 12 vein occurrence. Trench 1 exposed a northwest striking sulfide-rich vein cutting altered sediments. The vein appears to be sub-vertical to steeply dipping. Two adjacent 0.50 metre long channel samples were collected across the vein, perpendicular to its strike (samples were approximately 5 centimetres wide and 5 centimetres deep). The first channel sample returned 308 ppm silver (308 parts per million or grams / tonne Ag), 19400 ppm copper (1.94% Cu) and 15250 ppm zinc (1.525% Zn) over 0.50 metre length. This sample was elevated in bismuth (280 ppm Bi) and molybdenum (110 ppm Mo). The adjacent parallel channel sample returned 244 ppm Ag, 22300 ppm Cu (2.23% Cu) and 13600 ppm Zn (1.36% Zn) over 0.50 metre length. These samples may not represent true width of the vein. Two pieces of mineralized vein float were uncovered at the till – bedrock interface in this trench and west of (up ice direction) the mineralized vein. One piece of float (estimated to be 12 by 10 by 10 centimetres) returned 472ppm Ag, 51400 ppm Cu (5.14% Cu) and 76100 ppm Zn (7.61% Zn). A sample from the second piece of float (approximately 30 by 30 by 20 centimetres) returned 324 ppm Ag, 33100 ppm Cu (3.31% Cu) and 38700 ppm Zinc (3.87% Zn).

On December 9, 2015, the Company reported that a diamond drilling program has been completed at its Keymet Base and Precious Metal Project, located in northeast New Brunswick. The program consisted of four holes totalling 419

metres. The Keymet project is located approximately 20 kilometres northwest of Bathurst and covers an area of approximately 3560 hectares.

The drilling program was conducted in the northwest region of the property, a priority area for the Company. Multiple base metal and silver bearing vein occurrences are documented in this region, including the historic Keymet Mine. The drilling program tested two base metal and silver bearing vein occurrences northwest of the historic Keymet Mine. These are the Elmtree 12 and Elmtree 13 vein occurrences. The Elmtree 13 occurrence is also referred to as the Elmtree Silver Mine.

The November 2015 drill program consisted of two holes testing the historic Elmtree Silver Mine vein occurrence and two holes testing the Elmtree 12 vein occurrence. Veins containing zinc, lead and / or copper base metal sulfides were intersected in all four holes. The Company is currently collecting drill core samples of these veins to be submitted for zinc, lead, copper, silver and gold assay. Arsenopyrite mineralization was also intersected locally in drill holes at the Elmtree 12 occurrence. The Company is collecting drill core samples containing this mineralization to be submitted for gold assay.

Two holes were completed during the program at the Elmtree 12 vein occurrence, approximately 1.4 kilometres northwest of the historic Keymet Mine and 0.5 kilometres north of the historic Elmtree Silver Mine. The holes tested an area of historic 1980s drill holes (by Brunswick Mining and Smelting and Aurtec Inc.) and a 2015 Great Atlantic trench. The 1980s holes reportedly intersected near-surface mineralized veins. These include a 0.88 metre core length interval from a 1981 drill hole reported to grade 7.72% Cu, 11.36% Zn and 13.6 ounces per ton Ag. A 1.22 metre core length sample from a near-by 1989 drill hole was reported to assay 16.4% Cu, 10.11% Zn and 31.0 ounces per ton Ag. The summer 2015 trenching program by Great Atlantic exposed a northwest striking mineralized vein approximately above the 1980s drill intersections. One of the 0.5 metre channel samples across the vein returned 308 ppm silver, 19400 ppm copper (1.94%) and 15250 ppm zinc (1.525% Zn). A sample of float at the till – bedrock interface from this trench returned 472 ppm silver, 51400 ppm copper (5.14% Cu) and 76100 ppm zinc (7.61% Zn).

The Company received a permit for 2016 exploration that allows for 10 diamond drill holes and 6 trenches in the northwest region of the property. This is the region of the historic Keymet base metal – silver mine, operated in the 1950s. Multiple base metal – silver bearing veins are documented in this region of the property plus gold bearing boulders. The 2015 diamond drilling program in this region intersected mineralized veins including intersections of 16.68% Zn, 1.11% Cu and 152 g/t Ag over 1.80 metre core length and 8.68% Zn over 4.28 metre core length (News Release of February 11, 2016). A gold bearing zone was intersected in one of the 2015 drill holes with a 2.10 metre drill core length sample returning 3.28 g/t Au.

#### MacDougal Road, New Brunswick, Canada

During the year ended February 28, 2013, the Company entered into an option agreement whereby the Company has been granted an option to acquire a 100% interest in the McDougall Road Antimony property located in western New Brunswick. Consideration is \$30,000 cash (unpaid) and 150,000 shares (all issued) payable over two years. The property covers 15 contiguous mineral claim units covering approximately 330 hectares. Antimony bearing veins (stibnite) have been reported in the central part of the property in the area of the Woodstock Fault, a northeast trending, regional scale structure. This fault separates Cambro-Ordovician metasediments and mafic and felsic volcanics to the east side of the fault and Ordovician-Silurian age calcareous metasediments and limestones to the west. The Woodstock fault trends into the Gold-Antimony project at Golden Ridge (located 13 kilometres from the McDougal Road property) where the mineralization is controlled by splay structures emanating from The Woodstock Fault zone. In the late 1990s Freewest Resources reported a sample of an antimony bearing vein in the central region of the McDougall Road property to return 11.6% Sb.

#### *Exploration work on the project*

In 2015 a total of 219 soil samples were collected the central region of the property. The samples were collected along 9 east - west traverses spaced at approximately 100 meters. Sample spacing along the traverses was approximately 25 metres. A total of 122 samples were submitted to ALS Global for analysis. These were samples from alternate traverses, including all samples from 5 traverses. The 122 samples were sieved to minus 180 micron, the sieved portion

being analyzed for antimony by Four Acid and Inductively Coupled Plasma - Mass Spectrometry (ICP-MS). Thirty-one of the samples were also analyzed for gold by Fire Assay and Atomic Absorption Spectroscopy (AAS).

The analytical results for the 122 samples define a narrow, approximate north to northeast trending zone of antimony soil anomalies in the eastern part of the survey area. This zone covers a north - south distance of at least 800 metres and includes the area of the antimony bearing vein as reported by Freewest Resources. Twelve of the thirteen samples that exceeded 5 ppm Sb are from this zone, including samples returning 13.6, 23.8 and 62.8 ppm Sb. This zone is narrow varying from single sample antimony anomalies on two lines to multiple anomalous samples within 75 - 100 meter wide intervals on three lines. Analyses for the remaining 97 samples from the alternate lines are required to further evaluate this zone. The Company plans to submit the remaining samples for analysis. Three of the six soil samples from the southern - most traverse were weakly anomalous for gold, returning values of 5, 7 and 17 ppb Au.

#### South Quarry, Newfoundland, Canada

During the year ended February 28, 2013, the Company entered into an option agreement whereby the Company has been granted an option to acquire a 100% interest in the South Quarry tungsten property. In consideration of the acquisition, the Company agreed to pay the vendor \$135,000 cash (\$85,000 paid) and to issue 850,000 shares (all issued) over four years. The property is situated 85 kilometres south of Bishops Falls in east-central Newfoundland and covered 3,600 hectares. The prospect is comprised of two separate occurrences – the South Quarry which consists of scheelite bearing quartz-feldspar-mica (pegmatite) veins and the Camp Ten showing which is stratiform scheelite in thin calc-silicate horizons within metagreywacke.

Exploration work in the area was primarily carried out by Kidd Creek Mines during the period 1983 to 1986. They conducted extensive ground magnetic, VLF-EM and IP surveys as well as till geochemistry, glacial studies, mapping, UV prospecting, stripping/trenching and 1,068 meters of diamond drilling on the two target areas. Since that time, little exploration work has been done in the area.

The Company recently employed the CARDS (Computer Aided Resource Detection System) technology, to further define potential Tungsten exploration targets on the property. This technology was developed by DIAGNOS Inc. a leader in the use of artificial intelligence and advanced knowledge-extraction techniques and makes possible the identification of sites having the same signature as known mineralized occurrences. DIAGNOS uses its proprietary technology to analyze geological, geophysical and geochemical to enable the identification of patterns hidden in the large amount of data each customer owns.

#### *Exploration work on the project*

On July 30, 2015, the Company reported that field work had commenced at its South Quarry Tungsten Project. The objective of this exploration program was to confirm tungsten mineralization and sample tungsten bearing boulders and bedrock and confirm and define tungsten soil anomalies in preparation for trenching and diamond drilling programs. On November 25, 2015, the Company received analyses for soil samples collected during the summer at the South Quarry Tungsten Project.

During the work program conducted in August 2015, 490 soil samples were collected throughout the property. The samples were collected by means of hand-held augers. Sampling was conducted along east-west traverses and locally adjacent to the main paved road which transects the property from north to south. The soil samples were submitted to ALS Minerals for tungsten analysis by Lithium Metaborate Fusion and Inductively Coupled Plasma – Mass Spectrometry (ICP-MS). *Soil samples from multiple regions of the property returned greater than 100 parts per million (ppm) tungsten, including a sample from the southern region of the property which returned 1380 ppm tungsten.*

The program identified local tungsten soil anomalies in the northern half of the property. Tungsten mineralization was documented in this northern region as per publically available reports filed during the 1980s by Kidd Creek Mines Ltd. (assessment reports filed with the Newfoundland and Labrador Department of Natural Resources). Tungsten mineralization was confirmed in rubble and bedrock at two close-spaced quarries (including the South Quarry) in this region during the August 2015 rock sampling program which was completed concurrently with the soil sampling

program. Multiple grab samples of quarry rubble assayed greater than 5% WO<sub>3</sub> (Great Atlantic Resources News Release of November 19, 2015). The soil sampling program confirmed tungsten soil anomalies (up to 116 ppm W) in the general area of these two quarries, interpreted by company management to be associated with the tungsten mineralization at the quarries. The program confirmed tungsten soil anomalies in three areas northwest, north and northeast of these quarries with up to 402 ppm W. Company management interpret these particular soil anomalies to possibly represent separate sources of tungsten mineralization as they are not in the documented down-ice glacial direction from the two quarries. The soil sampling program also identified local tungsten anomalies in the southern half of the property. Kidd Creek Mines Ltd. had previously reported tungsten mineralization in this region within narrow horizons described as calc-silicate horizons (reported up to 40 centimetres wide). The soil sampling program identified local tungsten anomalies in the area of reported trenching and drilling by Kidd Creek. Some soil samples in this area returned greater than 100 ppm W, including two samples which returned 320 and 1380 ppm W.

The Company received a permit for 2016 exploration that allows for 8 trenches during 2016 in the northern region of the property. Tungsten bearing pegmatite veins occur in 2 quarries in the northern region of the property. Multiple grab samples collected by Great Atlantic in 2015 of bedrock and rubble in these quarries exceeded 1% WO<sub>3</sub> (News Release of November 19, 2015). The exploration permit covers prospective ground north to northeast of these 2 quarries.

#### Golden Promise – Newfoundland

On July 5, 2016, the Company signed an option agreement to acquire a 100% interest in the Golden Promise claim in Newfoundland and Labrador. The optioned ground encompasses 60 stake lode claims located near the Town of Badger.

To earn a 100% interest, the Company is required to make the following payments to the property owner as follows:

	Dollar Value of Shares \$	Cash \$
By July 8, 2016 (Paid)	-	35,000
On July 28, 2016 (issued – 833,333 common shares)	50,000	-
By July 5, 2017 (paid and issued – 285,715 common shares)	50,000	65,000
By July 5, 2018	50,000	125,000
By July 5, 2019	125,000	145,000
By July 5, 2020	225,000	150,000
	<u>500,000</u>	<u>520,000</u>

In addition, the Company is required to spend a minimum of \$500,000 in expenditures on the property by July 05, 2020.

There is 2% to 2.5% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for \$1,000,000. The Company will pay the property owner an annual royalty advance of \$20,000 commencing on the 7<sup>th</sup> anniversary and each subsequent year. All royalty payments contributed will be credited towards the royalty due the property owner.

Upon completion of the minimum work commitments and payments above, the Company will earn a 100% undivided ownership interest in the property.

A finders' fee of 250,000 shares is to be issued in tranches. The first tranche of 170,000 shares were issued with a fair value of \$10,200.

The Company received a permit for 2016 exploration that allows for 11 trenches in the Jaclyn Zone, located in the central region of the property. The Jaclyn Zone consists of the Jaclyn Main, Jaclyn North and Jaclyn South Zones. The

property, located in central Newfoundland, hosts multiple gold-bearing quartz vein zones and zones of gold-bearing float boulders, some with reported high grade gold including up to 327.97 g/t Au over 0.40 meters in drill core (Jaclyn Main Zone) and float samples of 335.9 g/t Au and 353.4 g/t Au. A National Instrument (NI) 43-101 compliant inferred resource of 921,000 tonnes at an average grade of 3.02 g/t Au (89,500 ounces contained gold) was reported in 2008 for the Jaclyn Main Zone. Gold recovery from a 2,241 tonne bulk sample collected in 2010 at the Jaclyn Main Zone was reported to average 4.47 g/t Au. Gold bearing veins are also documented at the Jaclyn North and Jaclyn South Zones (see news release of May 31, 2016).

Pilley's Mine Property, Southern Golden Promise Property and Point Leamington Property - Newfoundland and Labrador.

On May 3, 2017, the Company entered into an option agreement with Unity Resources Inc. ("Unity") under which the Company may acquire from Unity 100% of mining claims comprising the Pilley's Mine Project, the Southern Golden Promise Project and the Point Leamington Project, which are located in central Newfoundland. Under terms of the Agreement, the Company may acquire 100% of the Property by making certain staged cash and share payments of common shares in Great Atlantic to Unity over a five year period equal to a total of \$80,000 in cash and/or share payments, in addition to an initial issuance of 1,000,000 common shares of the Company within ten days of TSX Venture Exchange ("TSXV") approval of the Agreement as follows:

	Cash /or Common Shares	Number of Common Shares
10 days of TSX Approval - June 5, 2017 (Issued)	-	1,000,000
On or before June 5, 2018	\$ 10,000	To be determined
On or before June 5, 2019	\$ 10,000	To be determined
On or before June 5, 2020	\$ 10,000	To be determined
On or before June 5, 2021	-	-
On or before June 5, 2022	\$ 50,000	To be determined
	<u>\$ 80,000</u>	<u>1,000,000</u>

Under terms of the Agreement for each year's payment, the Company will make the decision as to pay Unity either cash and/or equivalent value common shares calculated based on the 10-day volume weighted average price of the Company's common shares, subject to a minimum price of \$0.05 per common share.

Unity will retain a 3% net smelter return royalty (the "NSR Royalty"), payable on the commencement of commercial production, which the Company may buy down a maximum of 2% of the NSR Royalty from Unity at any time by payment to Unity of \$500,000 for each 1%, leaving Unity with a minimum of 1% remaining NSR Royalty.

### **Results of Operations**

<i>Period Ended August 31,</i>	2017 \$	2016 \$
Financial results:		
Net loss for the period	(708,279)	(297,687)
Basic and diluted loss per share	(0.03)	(0.02)
Balance sheet date		
Cash	28,063	20,792
Total assets	78,044	68,649
Shareholders' deficiency	(101,845)	(634,149)

	Three Months Ended		Six Months Ended	
	2017	August 31, 2016	2017	August 31, 2016
<i>Administrative and General Expenses</i>	\$	\$	\$	\$
Advertising, Investor Relations and Promotion	62,248	-	62,248	-
Audit and Legal	8,391	12,229	11,391	24,281
Bank and Interest Charges	252	132	335	1,134
Consulting Fees	61,500	-	64,000	1,400
Depreciation	-	115	-	230
Exploration	258,947	130,395	336,957	134,311
Management Fees	55,000	30,000	85,000	60,000
Office and Administration	32,836	16,928	50,003	30,973
Regulatory Fees and Transfer Agent	14,344	7,063	17,743	7,792
Rent	18,771	17,405	37,545	36,282
Shareholder Communications	4,627	225	4,627	475
Stock-Based Compensation	7,772	36,298	71,130	36,298
Travel	2,724	1,056	10,943	3,615
Less: Rent and Office Recovery	(18,000)	(18,000)	(36,000)	(36,000)
	(509,412)	(233,846)	(715,922)	(300,791)

	Three Months Ended		Six Months Ended	
	2017	August 31, 2016	2017	August 31, 2016
<i>Other Items</i>	\$	\$	\$	\$
Write-Up (Down) of Marketable Securities	856	672	856	672
Debt Forgiveness	-	2,432	6,787	2,432

**Exploration Expenses**

During the period ended August 31, 2017, the Company of exploration and evaluation expenditures incurred are as follows:

	Three Months Ended		Six Months Ended	
	August 31,		August 31,	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Porcupine</b>				
Geological	-	-	-	469
	-	-	-	469
<b>South Quarry</b>				
			22,500	
Assay	-	3,269	-	3,269
Geological	-	-	701	470
Field Expenditures	-	-	119	-
Others	-	-	-	1,467
	-	3,269	23,320	5,206
<b>Keymet</b>				
Assay		984	-	984
Geological		-	1,245	479
Others	580	252	767	252
Government Grant			-	-
	580	1,236	2,012	1,715
<b>MacDougal Road</b>				
Geological	-	-	431	1,031
	-	-	431	1,031
<b>Golden Promise</b>				
Acquisition costs	115,000	95,200	115,000	95,200
Assay	10,891		10,891	
Geological	3,000		16,031	
Field Expenditures			8,800	
Travel and Meal			5,920	
Others	6,066		31,142	
Staking	6,780	14,655	6,780	14,655
	141,737	109,855	194,564	109,855
<b>Pilley's Mine, Southern Golden Promise and Point Leamington Properties</b>				
Acquisition	116,630	16,035	116,630	16,035
<b>Total Exploration and Evaluation Expenditures</b>	<b>258,947</b>	<b>130,395</b>	<b>336,957</b>	<b>134,311</b>

## **6 Months -Results of Operations**

### *Net Loss and Operating Expenses*

During the period ended August 31, 2017, the Company recorded a loss of \$708,279 or 0.03 basic and diluted loss per share, compared to \$297,687 or \$0.02 basic and diluted loss per share for the same period last year. The increase is due to increase business activities during the period.

Expenses for the period ended August 31, 2017 increased by \$202,646 compared to the same period in 2016.

Differences in general administrative expenses incurred are as follows:

- The Company incurred \$336,957 (2016 - \$134,311) of exploration expenditures on Atlantic Canada Projects.
- Advertising, investor relations and promotion \$62,248 (2016-\$Nil). Amounts included in advertising, investor relation and promotion are monthly investor relations fees, print and internet advertising costs, web site updates, marketing, investment and geological conference attendance fees.
- Consulting fees of \$64,000 (2016 - \$1,400), paid to companies for strategic, administrative services, project evaluation and future acquisition.
- Management billed the Company \$85,000 (2016-\$60,000) in consideration of management services provided by such director, including day to day administration for the Company overseeing regulatory filings and requirements.
- The Company incurred \$50,003 (2016 - \$30,973) in office and administration costs during the year. These costs for both years included administration, accounting, office expenses, telephone, courier and postage, printing and insurance. These costs were higher for the year due to increase in administration fees.
- The Corporation incurred \$10,943 (2016 - \$3,615) in travel costs during the year. Travel costs also include costs of trips to the mining properties.
- Regulatory and transfer agent fees of \$17,743 (2016 - \$7,792) consisted of fees paid to regulatory bodies in Canada in connection with routine filings and includes filing fees for private placement.
- Rent reimbursements of \$18,000 (2016 – \$18,000) were received or accrued from companies under common control for use of the shared office space.
- The Company recorded \$71,130 (2016 - \$36,298) of non-cash compensation cost due to the grant of \$700,000 stock options during the period.
- Gain on Settlement of Debt of \$6,787, the debt was forgiven by a vendor.

### **3 Months -Results of Operations**

#### *Net Loss and Operating Expenses*

During the period ended August 31, 2017, the Company recorded a loss of \$508,556 or 0.02 basic and diluted loss per share, compared to \$230,742 or \$0.02 basic and diluted loss per share for the same period last year.

Expenses for the three month period ended August 31, 2017 increased by \$275,566 compared to the same period in 2015.

Differences in general administrative expenses incurred are as follows:

- The Company incurred \$258,947 (2016 - \$130,395) of exploration expenditures on Atlantic Canada Projects.
- Advertising, investor relations and promotion \$62,248 (2016-\$Nil). Amounts included in advertising, investor relation and promotion are monthly investor relations fees, print and internet advertising costs, web site updates, marketing, investment and geological conference attendance fees.
- Consulting fees of \$61,500 (2016 - \$Nil), paid to companies for strategic, administrative services, project evaluation and future acquisition.
- Management billed the Company \$55,000 (2016-\$30,000) in consideration of management services provided by such director, including day to day administration for the Company overseeing regulatory filings and requirements.
- The Company incurred \$32,836 (2016 - \$16,928) in office and administration costs during the year. These costs for both years included administration, accounting, office expenses, telephone, courier and postage, printing and insurance. These costs were higher for the year due to increase in administration fees.
- The Corporation incurred \$2,724 (2016 - \$1,056) in travel costs during the year. Travel costs also include costs of trips to the mining properties.
- Regulatory and transfer agent fees of \$14,344 (2016 - \$7,063) consisted of fees paid to regulatory bodies in Canada in connection with routine filings and includes filing fees for private placement.
- Rent reimbursements of \$18,000 (2016 – \$18,000) were received or accrued from companies under common control for use of the shared office space.
- The Company recorded \$7,772 (2016 - \$36,298) of non-cash compensation cost due to a vested option during the period.

### Summary of Quarterly Reports

Results for the eight most recent quarters ending with the last quarter for the period ended August 31, 2017:

	August 31, 2017 \$	Three Months Ended May 31, 2017 \$	February 28, 2017 \$	November 30, 2016 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(508,556)	(199,723)	(193,689)	(132,747)
Basic and diluted per shares	(0.02)	(0.01)	(0.01)	(0.01)

	August 31, 2016 \$	Three Months Ended May 31, 2016 \$	February 28, 2016 \$	November 30, 2015 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(230,742)	(66,945)	(198,559)	(172,889)
Basic and diluted per shares	(0.02)	(0.00)	(0.02)	(0.01)

Over the last eight quarters, the Company has been exploring and acquiring property projects in Atlantic Canada and the majority of the loss each quarter relates to the expenditures incurred in maintaining the operations of the Company and indirect cost in supporting the Company's Projects. The other main contributor to the losses is non-cash stock based compensation incurred on the grant of stock options done periodically over the last eight quarters.

Mineral exploration is typically a seasonal business, and accordingly, the Company's operating expenses and cash requirements will fluctuate depending upon the season and the level of activity. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favorable terms, the Company's activity levels and the size and scope of planned exploration projects will typically increase.

### Liquidity and Capital Resources

At August 31, 2017, the Company had cash of \$28,063 and working capital deficit of \$101,845. All cash are deposited in interest accruing accounts.

	August 31, 2017 \$	February 28, 2017 \$
Current assets	78,044	59,132
Property and Equipment	-	-
Total Assets	78,044	59,132
Total Liabilities	179,889	897,289
Shareholders' Deficiency	(101,845)	(838,157)
Working Capital Deficiency	101,845	838,157

The Company does not generate sufficient cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

	August 31, 2017 \$	August 31, 2016 \$
Cash used in operating activities	(1,341,132)	(198,098)
Cash used in investing activities	-	-
Cash provided by financing activities	1,366,085	218,899
Change in cash	<u>24,953</u>	<u>20,801</u>

During the period ended August 31, 2017;

- The Company had cash of \$28,063 as of August 31, 2017 compared to \$20,792 as of August 31, 2016.
- The Company completed a non-brokered public placements for total proceeds of \$1,160,000.
- The Company has received \$65,260 from exercise of warrants.
- The Company has received \$5,000 from exercise of stock option.

The ability of the Company to continue is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders, primarily by way of loans and from equity financing. The Company will need to raise or borrow money for its activities. Current sources of future funding are undetermined, and management will continue to review potential financings options as the need arises. There is no certainty that the Company will be able to receive continued financial support in the future. Existing working capital is expected to be sufficient to cover non-discretionary operating expenditures for the next twelve months.

**Transactions with Related Parties**

Key management includes directors (executive and non-executive) and senior management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”).

The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations. The amounts due to related parties are non-interest bearing, unsecured, and have no fixed terms of repayment, unless otherwise disclosed.

As at February 28, 2017 and August 31, 2017, the Company has the following amounts owed to related parties. The balances owing are non-interest bearing, unsecured, and have no specified terms of repayment.

	August 31, 2017	February 28, 2017
	\$	\$
Due to a director	11,870	23,055
Due to a company controlled by an officer for management services	-	232,762
	<u>11,870</u>	<u>255,817</u>

The Company had the following transactions with related parties:

- b) Management fees totalling \$85,000 (2016 – \$60,000) were paid or accrued to a director and an officer of the Company during the period ended August 31, 2017.
- c) Remuneration attributed to key management personnel and directors included stock-based compensation of \$32,584 (2016 – \$Nil).
- d) During the period ended August 31, 2017, the Company received loans totaling \$29,194 (2016 – \$11,258) from a director of the Company. These loans are non-interest bearing, unsecured, and have no specified terms of repayment. As at August 31, 2017, loans payable, including accrued interest, totaled \$Nil (February 28, 2017 – \$7,376).
- e) Rent and office reimbursements of \$Nil (2016 – \$18,000) were received or accrued from companies under common control for use of a shared office space. As at August 31, 2017, \$40,200 (2016 - \$40,200) was receivable from these companies.

### **Commitments**

- a) On August 31, 2013, the Company entered into a three-year agreement with an officer and a director for management services for consideration of \$10,000 per month plus reimbursement of all traveling and direct expenses and was automatically renewed for additional three years.
- b) The Company entered into an office space lease from August 21, 2012 to December 31, 2017 at \$5,802 per month. The term of the lease will be extended for another five years, commencing January 01, 2018 and expiring December 31, 2022 at \$6,252 per month.

### **Off Balance Sheet Agreements**

The Company has not engaged in any off-balance sheet arrangements in the three month period ended August 31, 2017.

### **Critical Accounting Policies and Estimates**

The details of Great Atlantic's accounting policies are presented in Note 2 of the audited financial statements ended February 28, 2016.

### **Changes in Accounting Policies**

In preparing these interim financial statements as at August 31, 2017, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended February 28, 2017.

### **Accounting Standards Issued But Not Yet Effective**

A number of new accounting standards, amendments to standards, and interpretations are issued but not yet effective up the date of issuance of the Company's consolidated financial statements. The Company intends to adopt the following standard when it becomes effective.

#### *IFRS 9 – Financial Instruments*

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard was initially effective for annual period beginning on or after January 1, 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2015. The Company has not yet determined the impact of this standard on its consolidated financial statements.

### **Risk and Uncertainties**

There are no significant changes relating to the risk factors since the filing of the annual MD&A of February 28, 2017.

### **Capital Risk Management**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its share capital as capital, which as at August 31, 2017 was \$33,238,854 (2016 – \$13,392,472). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended August 31, 2017.

### **Management Financial Risks**

The fair value of the Company's amounts receivable, share subscription receivable, loan receivable, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instruments, cash and marketable securities under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is not significant.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2017, the Company has a working capital deficiency of \$101,845. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company will be required to fund these liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

d) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Loans payable accrue interest at 10%, and/or are non-interest bearing. Based on forecast interest rate movements and due to the short-term nature of these financial instruments, fluctuations in market rates are not expected to have a significant impact on estimated fair values.

e) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

f) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil and natural gas, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Forward-Looking Information**

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

### **Internal Control over Financial Reporting**

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

### **Subsequent Events**

#### **Mineral Property Option Agreement**

In August 2017, the Company signed an option agreement with Fort St James Nickel Corp. (“FTJ”) to acquire Porcupine Property located in the province of New Brunswick. Under the terms of the option agreement, Fort St. James is required to make the following payments to earn a 100% interest in the property:

- Pay \$15,000 in cash and issue 500,000 common shares (paid and issued) within five days by October 6, 2017 ( (the “Approval Date”);
- Pay \$20,000 in cash and issue \$75,000 in common shares on or before the first anniversary on or before October 6, 2018;
- Pay \$20,000 in cash and issue \$75,000 in common shares on or before the second anniversary on or before October 6, 2019;
- Pay \$20,000 in cash and issue \$75,000 in common shares on or before the third anniversary on or before October 6, 2020; and
- Pay \$75,000 in cash and issue \$200,000 in common shares on or before the fourth anniversary on or before October 6, 2021.

The Company is also required to spend \$1,000,000 in exploration expenditures on the property over a four year period with a minimum of \$150,000 each year.

#### **Private Placement**

On October 16, 2017, the Company closed a non-brokered private placement of 3,449,221 million flow through units at a price of \$0.18 cents per unit for gross proceeds of \$620,800. Each Flow-Through Unit consists of one common share that qualifies as a “flow-through share” as defined in subsection 66(15) of the Income Tax Act and one (non) transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 60 months from the date of issue, one additional non-flow-through common share of the Issuer at an exercise price of Cdn\$0.22 per share. The term of the warrants may be accelerated in the event that the issuer's shares trade at or above a price of \$0.35 cents per share for a period of 10 consecutive days.

### Additional Information in relation to the Company

Additional information relating to the Company is available:

- (a) On SEDAR at [www.sedar.com](http://www.sedar.com)
- (b) On the Company's website at [www.greatatlanticresources.com](http://www.greatatlanticresources.com)
- (c) In the Company's annual audited financial statements for the year ended February 28, 2017

### Outstanding Shares

The Company had the following securities issued and outstanding:

	Number	Exercise Price \$	Expiry Date
Common Shares (October 27, 2017)	37,118,875	n/a	n/a
Stock Options	160,000	0.10	May 4, 2020
Stock Options	800,000	0.05	June 5, 2021
Stock Options	400,000	0.15	October 25, 2018
Stock Options	700,000	0.15	May 26, 2022
Warrants	110,000	1.00	December 30, 2018
Warrants	1,000,000	0.20	August 22, 2019
Warrants	895,000	0.10	June 5, 2020
Warrants	785,200	0.10	June 29, 2020
Warrants	1,130,000	0.10	July 6, 2020
Warrants	250,000	0.05	November 18, 2017
Warrants	150,000	0.05	December 17, 2017
Warrants	1,700,000	0.065	August 18, 2021
Warrants	500,000	0.15	December 22, 2021
Warrants	2,000,000	0.10	May 19, 2022
Warrants	4,350,000	0.125	June 9, 2022
Warrants	2,325,000	0.125	June 14, 2022
Warrants	3,325,000	0.125	June 26, 2022
Warrants	3,449,221	0.22	October 16, 2022
Broker's Warrant	53,200	0.10	June 5, 2020
Broker's Warrant	19,200	0.10	June 29, 2020
Broker's Warrant	80,000	0.10	July 6, 2020
Broker's Warrant	185,000	0.125	June 12, 2022
Broker's Warrant	7,500	0.125	June 14, 2022
Broker's Warrant	200,000	0.125	June 14, 2022
Broker's Warrant	334,921	0.22	October 16, 2022