

**PRECIPITATE GOLD CORP.**  
**Management Discussion and Analysis (“MD&A”)**  
**for the nine months ended August 31, 2017**

The following discussion and analysis of the operations, results, and financial position of Precipitate Gold Corp. (“the Company”) for the nine months ended August 31, 2017, should be read in conjunction with the Company’s unaudited financial statements and related notes for the three and nine months ended August 31, 2017, audited financial statements and related notes for the year ended November 30, 2016 which have been prepared in accordance with International Financial Reporting Standards. The effective date of this report is October 24, 2017. All figures are presented in Canadian dollars, unless otherwise indicated.

**COMPANY OVERVIEW**

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* of British Columbia on January 31, 2011. On May 24, 2012, the Company completed an initial public offering (“IPO”) on the TSX Venture Exchange (“TSX-V”) and commenced trading under the symbol PRG. The Company is in the business of exploration, development and exploitation of mineral resources in Canada and the Dominican Republic, with the primary objective to explore mineral properties to a stage where they can be developed profitably or sold to a third party.

The Company is a Vancouver, British Columbia Canada based company primarily focused on gold and base metal exploration in the Dominican Republic and Canada. The Company’s Juan de Herrera Project is located in the Dominican Republic’s “Tireo Gold Trend” directly adjoining the concession holdings of GoldQuest Mining Corp to the south and west side.

**MINERAL PROPERTIES**

The Company is conducting exploration activities and evaluating possible new opportunities in the Dominican Republic, while holding mineral tenures in British Columbia and Yukon Territory, Canada. The Company’s mineral property interests are as follows.

**a) Juan de Herrera Project, Dominican Republic**

On September 28, 2012 Precipitate entered into a share purchase option agreement with 0945044 B.C. Ltd. to acquire 100% of certain concessions within the Juan de Herrera Project In December of 2016, the Company completed all necessary cash payments, share issuances, and work commitments required to satisfied the option agreement and has thereby acquired a 100% interest in the project (subject to a 3% net smelter return royalty (“NSR”).

**b) Artur Concession, Dominican Republic**

In January 2016, the Company, via its wholly owned Dominican Republic subsidiary, Precipitate Dominicana SRL, acquired via staking the Artur exploration concession as a standalone and 100% owned property in the Pueblo Viejo district. The Artur concession (220 hectares) is located about four kilometres east-southeast of the Gold Corp - Barrick Gold operating Pueblo Viejo gold-silver mine.

**c) Reef Property, Yukon**

The Company’s road accessible Reef Property is located in southeast Yukon Territory (Canada) and is positioned in the northern portion of the Upper Hyland Gold Trend; an area which is underlain by gold prospective sedimentary rocks of the NeoProterozoic to middle Cambrian aged Selwyn Basin. Reef Property claims are in good standing until 2021. On February 9, 2017 the Company entered into a mineral Property Option Agreement (the “Agreement”) with Golden Predator Mining Corp. (“Golden Predator”) pursuant to which Golden Predator has the right to acquire Precipitate Gold’s 100%

interest in the claims comprising the Reef property. The Reef claims are located immediately adjacent to the northern boundary of Golden Predator's 3 Aces Project.

To earn a 100% interest in the Property Golden Predator must, among other things, complete staged payments of cash payments, issuances of common shares and warrants as follows:

- a) Cash payments totalling \$1,050,000:
  - \$400,000 on February 9, 2017 (received)
  - \$150,000 on February 9, 2018
  - \$200,000 on February 9, 2019
  - \$300,000 on February 9, 2020
  
- b) Common shares of Golden Predator:
  - 100,000 common shares on February 9, 2017 (received)
  - 100,000 common shares on February 9, 2018
  - \$300,000 worth of common shares on February 9, 2019\*
  - \$300,000 worth of common shares on February 9, 2020\*

\*The price per share is based on the 21-day volume weighted average price ("VWAP") at the date of issuance and subject to a floor price equal to the minimum price permitted under TSXV policies.

- c) Warrants of Golden Predator:
  - 100,000 warrants on February 9, 2017 at exercise price of \$1.59 per share with a 3 year term (received)
  - 100,000 warrants on February 9, 2018 at an exercise price of \$2.00 per share with a 3 year term
  - 300,000 warrants on February 9, 2019\*
  - 300,000 warrants on February 9, 2020\*

\*The warrants will have a year term and an exercise price of 150% of the 21-day VWAP at the date of issuance.

Pursuant to the Agreement, Golden Predator will grant to Precipitate a 2% NSR royalty on claims that are not subject to a pre-existing royalty, and a 1% NSR royalty on claims that are subject to a pre-existing royalty. Golden Predator may purchase 25% of the Company's NSR royalty at any time for a purchase price of \$1,000,000 and an additional 25% of the Company's NSR royalty at any time for a purchase price of \$1,500,000 (and aggregate of \$2,500,000 to buy back 50% of the NSR held by the Company).

**d) Gemini Property, British Columbia**

Precipitate's 100% owned Gemini Gold property, located in British Columbia, was staked by the Company. The Gemini Property tenure remains 100% controlled by the Company and is in good standing until March 2018.

#### e) **Island Zinc Property, British Columbia**

On April 18, 2017, the Company entered into an option agreement to acquire a 100% interest in the Island Zinc zinc-lead-silver project located near Port Hardy, north Vancouver Island, British Columbia. The Company must complete the following staged payments of cash and shares as follows:

	<b>Cash Payment</b>	<b>Shares Issued</b>	<b>Work Commitment</b>
On April 18, 2017 (completed)	\$10,000	Nil	\$Nil
On or before April 18, 2018	\$15,000	25,000	\$50,000
On or before April 18, 2019	\$20,000	50,000	\$50,000
On or before April 18, 2020	\$25,000	75,000	\$50,000
On or before April 18, 2021	\$25,000	100,000	\$50,000
<b>Total</b>	<b>\$95,000</b>	<b>250,000</b>	<b>\$200,000</b>

A 2% Net Smelter Return royalty ('NSR') is payable to the vendor. Precipitate may purchase one-half of the NSR Royalty at any time for a purchase price of \$500,000, and may purchase the remaining one-half (1 %) for \$1,000,000.

### **OPERATIONS UPDATE**

#### **Juan de Herrera Property, Dominican Republic**

The Company has completed multiple phases of regional and local scale exploration work on its Juan de Herrera Project ("JDH"), since acquiring the property in late 2012. The JDH Project concessions cover about 12,754 hectares, directly adjoining the "Tireo Gold Trend" holdings of GoldQuest Mining Corp on the south and west sides. Much of the Company's exploration work has focused on the Ginger Ridge zone, although more recent exploration has expanded to include a number of other early stage geochemically anomalous areas, such as the Ginger Ridge East, Southeast, South Jengibre, Peak and Melchor zones.

Exploration completed at the Ginger Ridge Zone includes geological mapping, rock sampling, gridded soil sampling, trenching, induced polarization ('IP') geophysical surveying, ground magnetics geophysical surveying and two diamond drilling programs consisting of 15 holes, totalling 3,274 metres. See the Company's September 23, 2014 and select 2017 news releases for more drill program related details.

#### **Ginger Ridge Zone highlight Phase 1 drill results\***

- Drill Hole 5 (vertical orientation)  
Multiple gold-rich intervals, including the following highlights:
  - 13.4 g/t gold over 5.0 metres; within 5.0 g/t gold over 16.0 metres; within 4.5 g/t gold over 18.0 metres
  - 98.1 metre interval of strongly disseminated, semi-massive to massive sulphide (dominantly pyrite).
- Affinities to a volcanogenic massive sulphide ('VMS') and/or intermediate sulphidation epithermal type deposit models.

\*Note: (i) Hole 5 intervals reflects measured core length, as true widths are unknown;  
(ii) Hole 5 gold values are uncut.

In November of 2016 Precipitate announced the commencement of a follow-up diamond drill program at its Ginger Ridge Zone. The Phase 2 diamond drill program was completed in 2 stages (late 2016 and spring 2017) consisting of 9 holes (GR-07 to GR-15, totalling 2,080 metres) stepping out along the

projected strike of the geophysical and geochemical anomalies hosting the Phase 1 discovery hole ('Hole 5') at Ginger Ridge.

Results from the Phase 2 drill program at Ginger Ridge included nine holes (GR16-07 to GR16-15). Holes 7 to 11 were collared up to 150 metres from the 2014 discovery hole ("Hole 5") testing mineralization and alteration continuity and select discrete induced polarization ('IP') chargeability-high geophysical anomalies. Holes GR17-12 to GR17-15 were drilled as extensive step outs to the north and south of the Main Ginger ridge drill test area.

Laboratory results for holes 7 to 15 reported intervals of sulphide-silica alteration combined with anomalous gold-copper-zinc metal enrichment is encouraging, as they appear to show characteristics commonly associated with a volcanogenic massive sulphide ("VMS") setting. See the Company's news releases dated January 19, 2017 and August 1, 2017 for full details. The mineralization identified in the Phase 2 program did not meet the Company's expected thresholds and is not likely to see any additional near-term work programs.

### **Ginger Ridge East Zone**

Subsequent to the completion of Phase 2 drilling at Ginger Ridge, the Company shifted its exploration focus to the Ginger Ridge East zone, located approximately 1.0 km east of the main Ginger Ridge zone. The East Zone emerged as a prospective target following the announcement of GoldQuest Mining's Cachimbo discovery which reported the identification of a new gold-rich polymetallic discovery in an area approximately 3.0km northwest of what is now Ginger Ridge East. The East Zone is multi-element soil anomaly (gold, lead, zinc, copper, arsenic, antimony, plus other elements) strikes approximately 1 kilometre in a northwest direction and is coincident with induced polarization gradient geophysical anomalies of elevated resistivity and moderate chargeability. Trench sampling within the anomaly returned consistent mineralization of gold, lead, zinc, and copper over substantial lengths at all six trench locations.

The first phase of drilling at the East Zone consisted of 8 shallow drill holes totalling 812 metres. Highlight core sampling results include mineralized drill intercepts yielding 10.47m of 0.83 g/t gold, and 0.20% zinc (hole EA17-03) and 3.04m of 2.1% zinc and 0.2% copper, including 1.50m of 3.18% zinc and 0.4% copper (hole EA17-06). In addition to the reported drill results, final results for expanded continuous chip sampling of the East Zone's Trench 6 include highlight values of 22.0m of 1.79 g/t gold, including 8.0m of 3.52 g/t gold (see August 09, 2017 news release). Several immediate follow up targets, including a sizable untested area in and around the newly expanded Trench 6, are the anticipated focus of follow up drilling.

### **Southeast Zone**

The Company's continuous rock chip channel sample results from Trench 7 at the high-grade copper showing at the Southeast Zone, located approximately 6 kilometres southeast of the Ginger Ridge Zone, has yielded a highlight interval of 3.0m of 2.78% copper within 8.0m of 1.28% copper within a broader 18.0m of 0.70% copper. Surface rock grab samples collected up to 60 metres to the southwest report copper values up to 0.76%. The Southeast copper showing is located within a northwest trending, 650m by 125m multi-element soil anomaly which is currently open in all directions, except to the southeast. The zone is underlain by mixed andesite and dacite volcanic rocks with moderate high and locally variable IP chargeability and resistivity geophysical anomalies and a magnetic low signature. See the Company's news release dated September 19, 2017.

### **Other Zones**

Since early 2016, the Company has been carrying out property wide exploration following up on targets derived from an integrated Precipitate and GoldQuest Mining Corp. satellite, geochemical and magnetic geophysical Tiroo Gold Trend database and also recent Company work. Field crews are focused on areas which evidence compelling gold or copper values identified soil or rock grab samples gathered in

areas underlain by magnetic anomalies, all within the favoured Tireo volcanic rock units. To date, the ongoing exploration program has successfully identified five early-stage combined geological, geophysical (both induced polarization & magnetics) and geochemical anomalous areas that are currently undergoing comprehensive follow-up surface soil sampling and detailed geological mapping. These early stage zones include the JT, Southeast, Jengibre South, Peak and Melchor areas.

These new target areas are part of an expanding and developing prospective regional mineral trend that cuts through several portions of Precipitate and GoldQuest Mining Corp's Tireo Gold Camp landholdings.

### Operations - Going Forward

The Company's current exploration work is focussed on its Juan de Herrera property of the Dominican Republic. The Company plans to conduct additional technical reviews and follow up field work of multiple geochemical (rock, sediment and soil) and airborne/ground geophysical anomalies throughout the property area, with the goal of identifying new target areas for ongoing systematic exploration work and drill target delineation.

### Qualified Person

The technical information regarding the Company's mineral property contained in this MD&A has been reviewed by Michael Moore (P. Geo.). Mr. Moore is a Qualified Person ("QP") as defined in the "Canadian Institute of Mining, Metallurgy and Petroleum, CIM standards on Mineral Resources and Reserves" and NI 43-101.

### SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly results for the last eight quarters:

	Aug 31, 2017	May 31, 2017	Feb 28, 2017	Nov 30, 2016	Aug 31, 2016	May 31, 2016	Feb 29, 2016	Nov 30, 2015
Expenses	\$636,599	\$671,412	\$618,378	\$980,237	\$260,390	\$381,685	\$139,374	\$163,572
Loss for the period	\$662,732	\$27,815	\$612,984	\$975,765	\$257,345	\$380,592	\$137,933	\$2,607,288
Weighted average shares outstanding	75,692,575	75,692,575	75,470,353	57,152,875	57,965,428	52,516,880	51,987,668	39,573,185
Loss per share	\$0.01	\$0.01	\$0.01	\$0.02	\$0.00	\$0.01	\$0.00	\$0.07
Mineral property acquisition costs	-	\$10,000	\$235,000	\$150,000	-	-	\$155,000	-
Mineral property interest write-off	-	-	-	-	-	-	-	\$2,443,716
Mineral property exploration costs	\$514,143	\$566,348	\$520,326	\$578,235	\$154,461	\$149,629	\$70,393	\$58,531

The Company's operating losses are due to mineral exploration, share-based compensation and general and administrative costs, such as audit and accounting fees, marketing, conferences and shareholder relation costs, salaries and wages, and office and administrative expenses incurred during the process of managing the Company's operations and to ensure regulatory compliance and can vary from quarter to quarter based on planned exploration activities, resource constraints, and share-based compensation.

## DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 75,692,575 shares outstanding. The following table summarizes maximum number of common shares outstanding as at August 31, 2017 and as of the date of this MD&A if all outstanding options were converted to shares:

	August 31, 2017	As of the date of this MD&A
Common shares	75,692,575	75,692,575
Share purchase warrants	12,657,938	12,657,938
Options to purchase common shares	3,330,000	3,180,000
	<u>91,680,513</u>	<u>91,530,513</u>

## RESULTS OF OPERATIONS

### Three months ended August 31, 2017 (“Q3 2017”) compared to the three months ended August 31, 2016 (“Q3 2016”)

The loss for the three months ended August 31, 2017 was \$662,732 compared to \$257,345 for the three months ended August 31, 2016. The increase in net loss is mainly due to an increase in exploration and evaluation costs, foreign exchange loss, and loss on sale of investments, offset by a decrease in property investigation costs. Major variances are explained as follows:

- Exploration and evaluation costs of \$514,143 were incurred on the Company’s properties during Q3 2017 compared to \$154,461 in Q3 2016. The increase in costs was due to the fact that there were more exploration activities in Q3 2017 in the Dominican Republic and British Columbia compared with Q3 2016;
- During Q3 2017 the Company incurred \$13,012 of foreign exchange loss compared to \$558 of foreign exchange gain in Q3 2016. The decrease in foreign exchange loss was due to decrease of the Company’s US dollar cash as a result in an increase in the value of Canadian dollar against US dollar during the quarter;
- Property investigation costs decreased from \$9,025 in Q3 2016 to \$Nil in Q3 2017. The property investigation costs in Q3 2016 were part of management’s efforts in evaluating and assessing other prospective mineral exploration projects in geologically and geopolitically attractive jurisdictions; and
- During Q3 2017, the Company recorded a loss on sale of investments of \$29,657 compared to \$nil in Q3 2016. The loss on sale of investments in Q3 2017 was due to the sale of 100,000 common shares of Golden Predator at a value of less than the initial carrying value.

### Nine months ended August 31, 2017 (“2017 period”) compared to the nine months ended August 31, 2016 (“2016 period”)

The loss for the nine months ended August 31, 2017 was \$1,311,531 compared to \$775,870 for the nine months ended August 31, 2016. The increase in net loss is mainly due to an increase in exploration and evaluation costs, marketing, conferences and shareholder relations, and a loss on sale of investments, offset by a decrease in share based compensation. Major variances are explained as follows:

- Exploration and evaluation costs of \$1,600,817 were incurred on the Company’s properties during the 2017 period compared to \$374,483 in the 2016 period. The increase in costs from the

2016 to 2017 period was due to the fact that there were more exploration activities in the 2017 period in the Dominican Republic and British Columbia compared with the 2016 period;

- Marketing, conferences and shareholder relations was \$45,281 in the 2017 period compared to \$28,745 in the 2016 period. The increase was due to increases in the conferences and exhibitions attended by the Company's management in the 2017 period as compared with the 2016 period;
- Share-based compensation expense decreased from \$142,029 in the 2016 period to \$Nil in the 2017 period. The share based compensation expense in the 2016 period relates to vesting of the 1,270,000 stock options granted on March 4, 2016; and
- During the 2017 period, the Company recorded a loss on sale of investments of \$29,657 compared to \$nil in the 2016 period. The loss on sale of investments in the 2017 period was due to the sale of 100,000 common shares of Golden Predator at a value of less than the initial carrying value.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to raise cash through the issuance of common shares pursuant to private placements, the exercise of warrants and stock options. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on additional external sources of financing which may not be available on acceptable terms, particularly in the current economic environment that is unfavourable to exploration companies.

### Working Capital

As of August 31, 2017, the Company's working capital was \$1,937,334, compared to working capital of \$3,248,865 as of November 30, 2016. The \$1,311,531 decrease in working capital is mainly due to spending \$1,600,817 on exploration and evaluation costs, \$325,572 on general and administrative costs, \$85,000 on mineral property acquisition, offset by receiving \$120,000 from exercise of warrants and \$400,000 from an option payment received for the Reef property and \$113,343 from the sale of investments.

### Cash

On August 31, 2017, the Company had \$1,872,061 of cash, compared with \$3,402,117 of cash on November 30, 2016. The \$1,530,056 decrease in the cash position is mainly due spending \$2,078,399 on operating activities and \$85,000 on mineral property acquisition, offset by receiving \$120,000 from exercise of warrants, \$400,000 from an option payment received for the Reef property and \$113,343 from the sale of investments.

### Cash Used in Operating Activities

Cash used in the operating activities during the nine months ended August 31, 2017 was \$2,078,399. Funds were used mostly on audit and accounting, exploration and evaluation, investor relations, marketing, conferences and shareholder relations, office and administrative, and salaries and wages. Cash used in the operating activities during the nine months ended August 31, 2016 was \$694,049. Funds were used mostly on audit and accounting, exploration and evaluation, marketing, conferences and shareholder relations, office and administrative, salaries and wages, and transfer agent and filing fees.

### Cash Used in Investing Activities

During the nine months ended August 31, 2017, the Company spent \$85,000 on mineral acquisition costs in relation to the Juan de Herrera property, received \$400,000 of cash option payments for the Reef property and received \$113,343 from the sale of investments. During the nine months ended August 31, 2016, the Company spent \$75,000 on mineral acquisition costs in relation to the Juan de Herrera property.

### Cash Generated by Financing Activities

During the nine months ended August 31, 2017, the Company received proceeds of \$120,000 from the exercise of warrants. During the nine months ended August 31, 2016, the Company received \$2,675,000 from private placements, paid \$129,877 of share issue costs associated with the private placements, received \$8,400 from the exercise of options, and received \$41,948 from the exercise of warrants.

### Requirement of Additional Equity Financing

The Company relies primarily on equity financing for all funds raised to date for its operations. The Company needs further funds to finance its exploration and development programs and its ongoing operating costs. The Company has raised \$2,675,000 of gross funds from private placements that closed during the year ended November 30, 2016. Until the Company has profitable operations from the extraction of minerals and precious metals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions.

### **GOING CONCERN**

The recoverability of amounts shown as mineral property interests is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

The Company's consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At August 31, 2017, the Company had not achieved profitable operations and had an accumulated deficit. The Company's consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, exploration and development activities.

## TRANSACTIONS WITH RELATED PARTIES

Key management personnel consist of directors and senior management including the President, Chief Executive Officer, Vice President of Exploration and Chief Financial Officer. Key management personnel compensation includes:

Name of related party	Nature of transactions	Nine months ended August 31	
		2017	2016
Jeffrey Wilson	Salaries and wages	\$ 116,250	\$116,250
Michael Moore	Geological consulting	134,106	106,225
CDM Capital Partners	Accounting and office and administration expense	36,000	32,000
VC Consulting Corp.	Accounting	13,500	1,500
Total		\$ 299,856	\$ 255,975

Total fair value of the share-based payments made to directors and officers is \$Nil (2016 - \$123,017) for the nine months ended August 31, 2017. The Company stopped paying directors' fees effective July 1, 2015.

## PLAN OF OPERATIONS AND FUNDING

The Company's plan of operations for the next twelve months is as follows:

- Juan de Herrera Project: Follow up exploration of the 2016 and 2017 property-wide geological, geophysical and geochemical work which identified six new zones, with the goal of identifying new drill worthy targets. Follow up exploration work will include any combination of detailed surface geochemical sampling, geological mapping, hand trenching, detailed ground magnetic geophysical surveying, and exploration drilling;
- At the Ginger Ridge East Zone and Southeast Zone future work may include additional sampling and mapping and possible drilling in multiple prospective un-drilled areas away from the previous drill hole locations with a focus on testing for concentrations of elevated gold and other precious and base metals;
- At the Island Zinc project future planned work will include a ground gravity geophysical survey, with possible follow up selective ground magnetic geophysical survey.
- Continue the evaluation and assessment of other prospective mineral exploration projects in geologically and geopolitically attractive jurisdiction, as opportunities are presented to the Company; and
- Monitor and evaluate capital markets for possible equity financing opportunities attainable under favourable terms to finance the Company's on-going operations and exploration activities.

## RISK AND UNCERTAINTIES

Readers of this interim MD&A are encourage to read the "Risk and Uncertainties" section of the Company's Annual MD&A dated March 21, 2017 under the Company's SEDAR profile on [www.sedar.com](http://www.sedar.com). Important risk factors to consider among others are:

- Competitive industry
- Exploration risks
- Foreign countries ad political risks
- Fluctuating metal and share prices
- Ability to continue as a going concern

## **OFF BALANCE SHEET ARRANGEMENTS**

The Company does not have any off balance sheet arrangements.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

## **ADDITIONAL INFORMATION**

For further detail, see the Company's consolidated condensed interim financial statements for the three and nine months ended August 31, 2017. Additional information about the Company can also be found on [www.sedar.com](http://www.sedar.com).

## **CORPORATE DIRECTORY**

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### **Officers and Directors**

Jeffrey Wilson (Chief Executive Officer and President)  
Michael Moore (Vice President, Exploration)  
Vivien Chuang (Chief Financial Officer)  
Adrian Fleming (Chairman of the Board, and Director)  
Darryl Cardey (Director)  
Quinton Hennigh (Director)  
Gary Freeman (Director)  
Alistair Waddell (Director)

### **Members of the Audit Committee**

Gary Freeman (Chair)  
Adrian Fleming  
Darryl Cardey

### **Members of the Compensation Committee**

Darryl Cardey (Chair)  
Adrian Fleming  
Gary Freeman

### **Legal Counsel**

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### **Auditors**

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### **Transfer Agent**

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