

MANAGEMENT DISCUSSION AND ANALYSIS

To the Shareholders of Opus One Resources Inc. (formerly GFK Resources Inc.) (the “Company”)

INTRODUCTION

This Management Discussion and Analysis (“MD&A”) provides a detailed analysis of the business of Opus One Resources Inc. (“Opus” or the “Company”) and compares its financial results for the year ended August 31, 2017 to the previous year. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2017. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

The Company's financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”). Further details are included in Note 2 of the financial statements for the year ended August 31, 2017. This MD&A is made as of December 20, 2017.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

This MD&A contains certain statements that constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results August differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its property, to produce minerals from its property successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Additional information relating to the Company can be located on the SEDAR website at www.sedar.com.

OVERALL PERFORMANCE AND HIGHLIGHTS

Private Placement

On June 22, 2017, the Company completed the first closing of a unit and flow-through share non-brokered private placement for total gross proceeds of \$1,167,200. The Company issued 7,200,000 units at a price of \$0.10 per unit (\$720,000) and 3,440,000 flow-through common shares at a price of \$0.13 per flow-through share (\$447,200). Each unit consisted of one common share of the Company and one common share purchase warrant, each warrant entitling the purchaser to acquire one additional common share of the Company at a price of \$0.15 per share until December 21, 2018.

The Company paid total finders' fees of \$28,160 in cash and issued 224,000 non-transferable share purchase warrants, each warrant entitling the holder thereof to purchase one common share of the Company at a price of \$0.10 per share until December 21, 2018.

On August 3, 2017, the Company completed the second and final closing 2,800,000 units at a price of \$0.10 per unit (\$280,000) and 275,000 flow-through common shares at a price of \$0.13 per share (\$35,750). Each unit consisted of one common share of the Company and one common share purchase warrant, each warrant entitling the purchaser to acquire one additional common share of the Company at a price of \$0.15 per share until February 3, 2019.

The Company paid with the final closing finders' fees of \$20,880 in cash and issued 204,000 non-transferable share purchase warrants, each warrant entitling the holder thereof to purchase one common share of the Company at a price of \$0.10 per share until February 3, 2019.

A flow through liability of \$111,450 was recorded on the above financings based on the premium paid for these shares. As a result of expenditures incurred, the liability has been reduced by \$22,756 to \$88,694.

ONGOING WORK DURING THE QUARTER AND TO DATE

GENERAL:

Basic prospection and sampling over the 2016-2017 IP surveys areas was completed on WinWin, Grizzly and Fecteau properties. Work permits for mechanical trenching were obtained from the MRN for all three properties. Ten new mechanical strippings were completed on Grizzly, Fecteau and WinWin over sub-cropping areas. Detailed mapping, channel sampling and drone photo-mosaics were also completed.

COURVILLE:

No work done during the quarter.

VEZZA NORTH:

Additional sampling over anomalous sequences of drill core from last winter drilling program was completed. No significant results were obtained.

VEZZA EXTENSION:

Additional sampling over anomalous sequences of drill core from last winter drilling program was completed. No significant results were obtained.

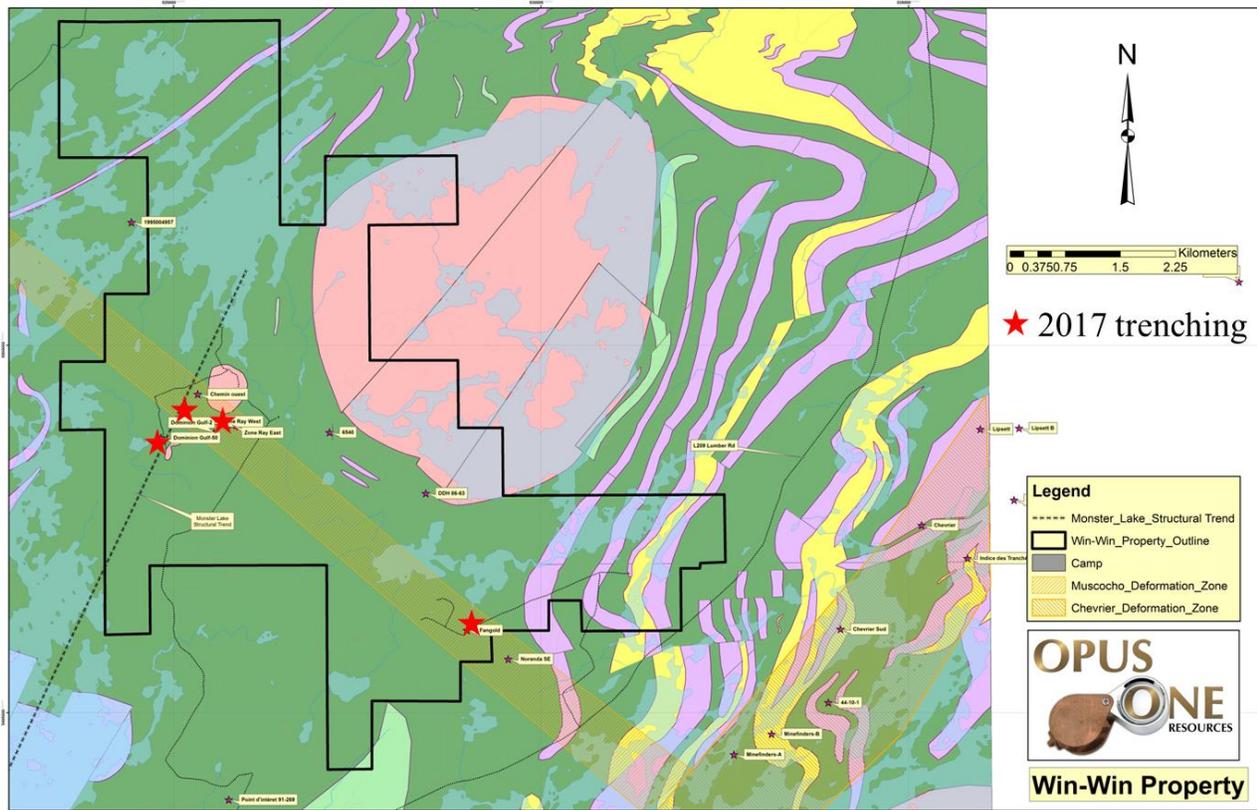
Assessment work report was filed in the quarter.

BACHELOR EXTENSION:

Assessment work report was filed in the quarter.

WINWIN:

Basic prospection and sampling over the 2016-2017 IP survey area was completed. Following this, 4 mechanical strippings were completed on 4 different areas (See location map below); Fangold, Ray zone, DG-2 and DG-50. Detailed mapping, channel sampling and drone photo-mosaics were also completed. Assay results are pending.



GRIZZLY:

Basic prospecting and sampling over the 2016-2017 IP survey area was completed. Following this, three mechanical strippings were completed over vein No-3, vein no-2 and 'Kill' showings. (See location map of vein No 3 below); please refer to website for detailed trench maps and tables.

On November 15, 2017, the Company announced that the summer trenching program on Vein No-3 in the Kellar Lake area was successful and has returned encouraging gold grades. "OPUS ONE FINDS GOLD GRADES OF 5.6 g/t over 1.4m and 6.3 g/t over 0.8m ON VEIN No-3, KELLAR AREA". The Kellar area presents a system of stacked NNE and conjugate EW gold bearing structures. The 2017 trenching program was designed to expose the East West trending Vein No-3, discovered during the 2016 fall trenching program. Mechanical stripping was carried out over Vein No-3 to expose the maximum length of the vein. Over 100 metres of strike length was stripped and sampled. The structure remains open in all directions.

The vein varied in width from 0.2 to over 2.0 metres including the mineralised and silicified contact zone. It consists of quartz and carbonate with minor tourmaline and sulfides (up to 5% pyrite and local chalcopyrite). The vein strikes East-West and dips to the South at approximately 55 degrees. The host rock is strongly altered (mostly carbonate and silica) massive and pillowed basalt flows. Channel samples were taken at 3 to 5 metre intervals across the mineralised zone, where ever possible. The full width of the zone was not always accessible for channel sampling. The following table is a summary of the best individual or composite assay results from over 35 channels totaling 98 individual samples oriented perpendicular to strike:

Vein No-3

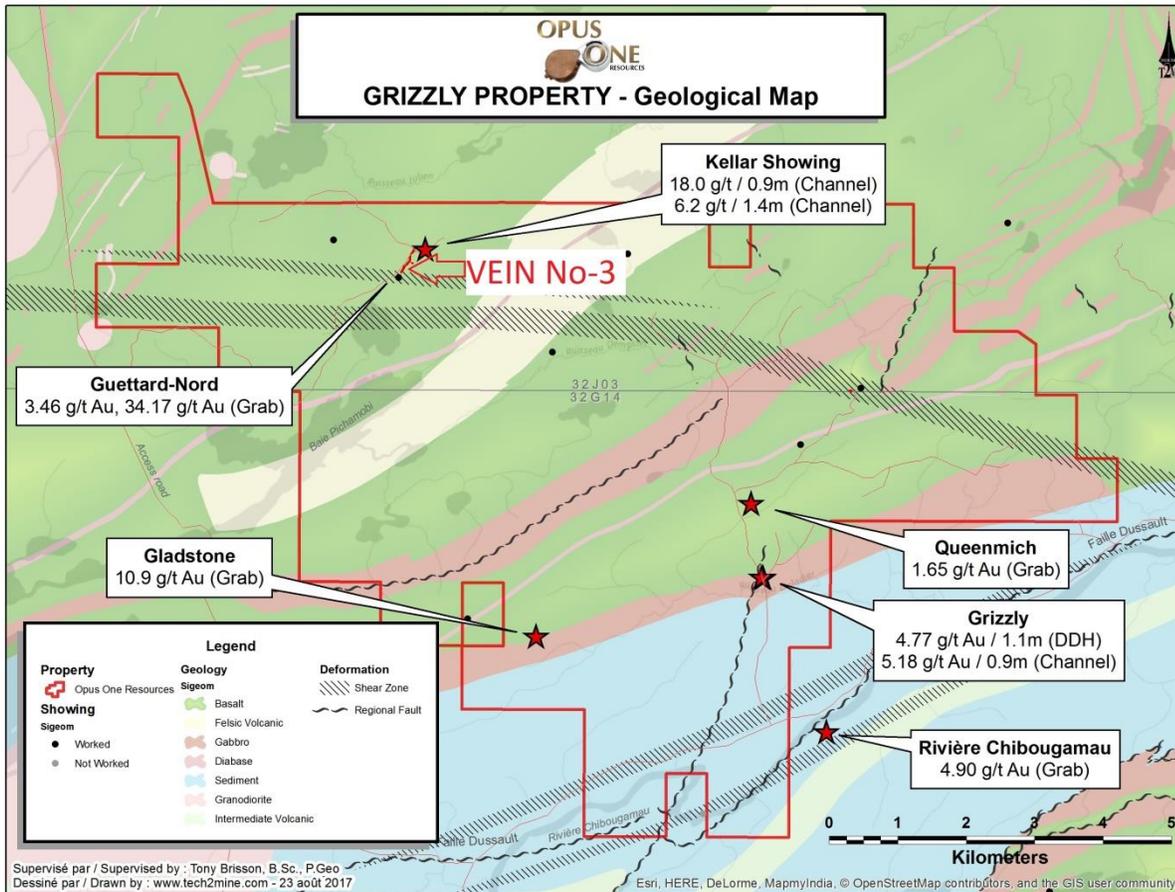
Channel #	Weighted Avg g/t Au	Length m	Extent Zone Sampled
02	5.21	0.43	Full
09	4.39	0.84	Full
19	12.48	0.24	Full
26	6.34	0.78	Full
32	4.24	0.62	Partial
34	5.59	1.36	Partial

Vein No-3 and structure was lost both to the East and West due to thick overburden; however the IP survey carried out in 2016 did show continuity and other similar parallel EW and NNE anomalies. Best grades and thicknesses were observed at the East end of the trench. Follow up exploration toward the East is planned for the next phase in 2018, consisting of diamond drilling over the best geological and geophysical targets in the Kellar area.

Other trenches were also completed over historical showings Vein No-2 and 'Kill'. However, no significant results were obtained from these trenches.

In 2016, the Company completed a 460 metres trench over Vein No-1, discovered Vein No-3 and completed a 100 m spacing IP survey over the entire Kellar area. The area was then prospected last summer and mechanical stripping program followed up over best sub-cropping area coincident or nearby IP anomalies.

Samples collected during the 2017 fall exploration program were dispatched from Chapais to Laboratoire Expert Rouyn-Noranda for processing. Standard and blank QA-QC samples were introduced in the sample series at regular intervals in the field. All samples were processed according to Laboratoire Expert's internal quality control procedures. They were analysed following standard pyro-analyses technics "Fire Assay-Atomic Absorption". Samples which returned values equal or greater than 5.0 g/t were reanalysed by gravimetric method.

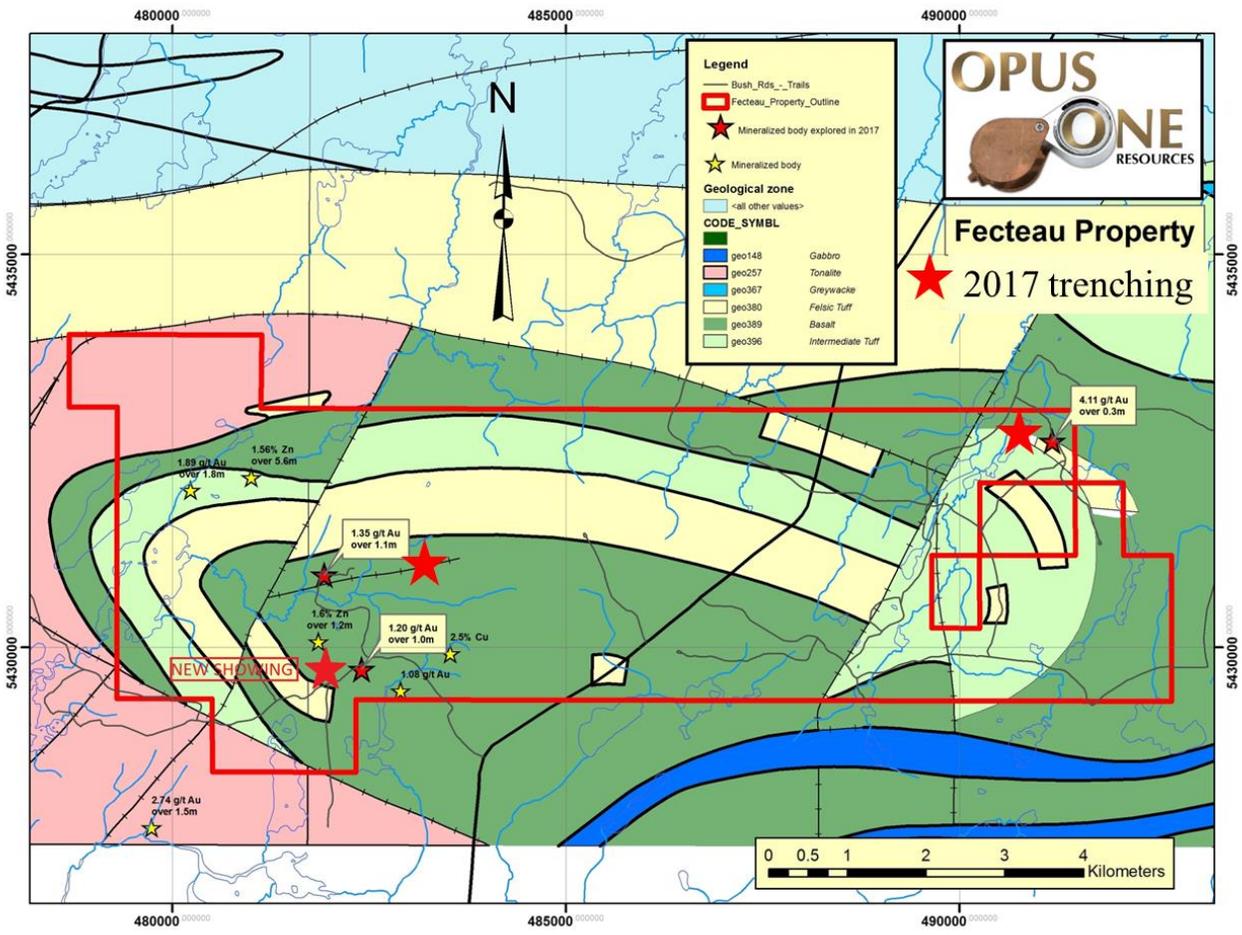


FECTEAU:

On November 28, 2017, Opus One announced finding a new gold showing with grades of 7.1 g/t over 0.5m and 2.4g/t over 3.1m. The new showing contains an east-west quartz vein hosted in a plurimetric altered and sheared quartz porphyry (QP) unit.

Basic prospection and sampling over the 2016-2017 IP survey area was completed. Following this, 3 mechanical strippings were completed on South-West, Central and North-East of the property (see location map below). Detailed mapping, channel sampling and drone photomosaics were also completed. Assay results are pending.

A geophysical compilation and re-interpretation of all available Mag, IP and EM data started in November for the entire Fecteau property. The objective of this compilation is to generate new base metal and gold target by using existing historical information. Final results and recommendation are planned to be completed next February.



EXPLORATION ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2017

The Company incurred property acquisition and deferred exploration costs, which are included in exploration and evaluation assets, as follows:

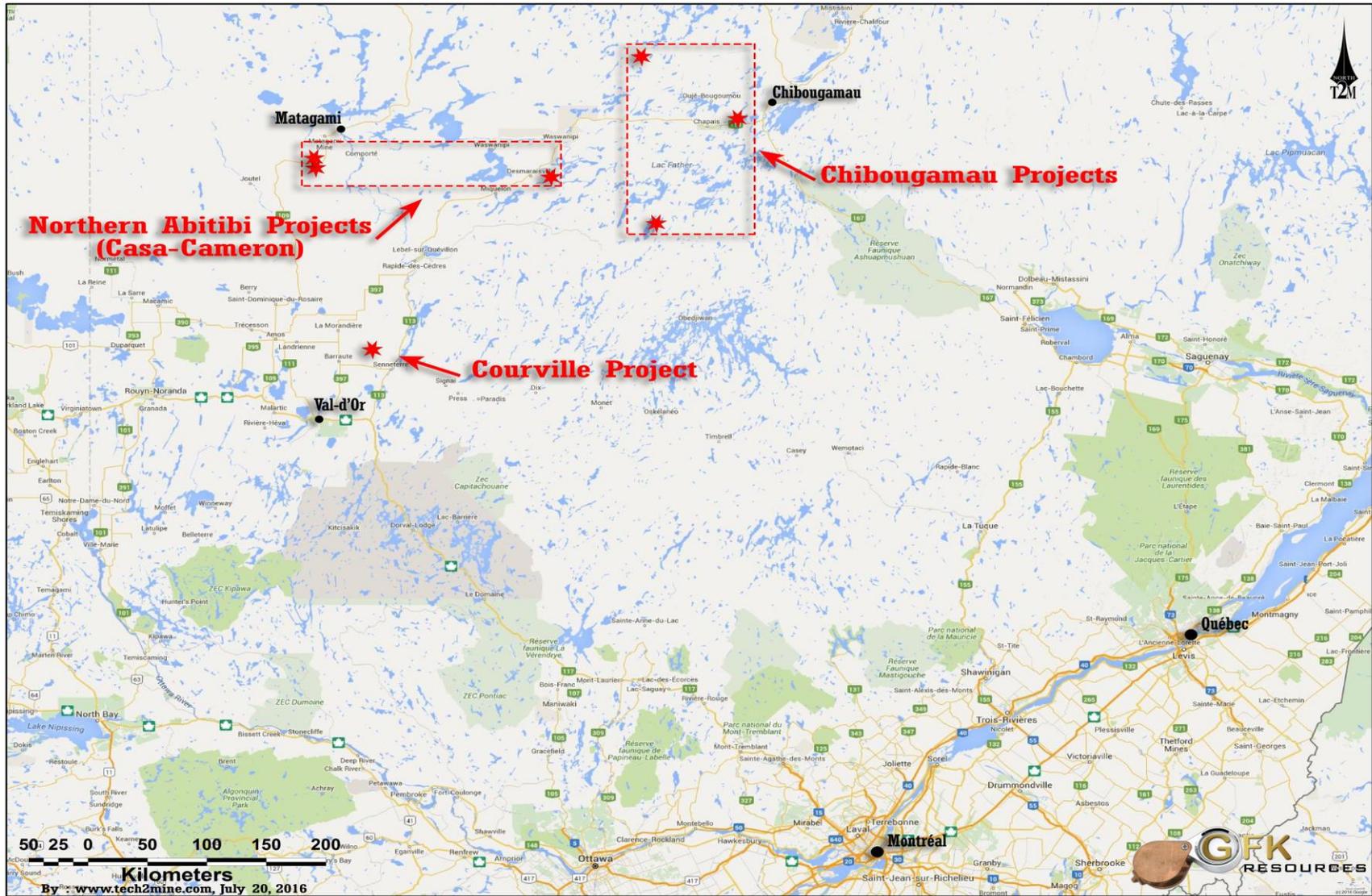
	Vezza North	Vezza Extension	Bachelor Extension	WinWin	Grizzly	Fecteau	Courville	Total
Balance, August 31, 2016	\$ 457,728	\$ 398,540	\$ 209,924	\$ 39,427	\$ 34,426	\$ 39,367	\$ 658	\$ 1,180,070
Deferred exploration costs:								
Drilling	97,934	64,605	51,549	114,169	-	-	-	328,257
Geophysical	-	-	-	41,059	76,482	39,259	-	156,800
Geological	8,755	7,049	10,314	23,780	54,396	41,226	-	145,520
General field expense	20,218	13,500	26,453	28,558	55,127	37,968	-	181,824
Claim management	4,166	3,144	2,209	1,558	10,066	4,886	946	26,975
	<u>131,073</u>	<u>88,298</u>	<u>90,525</u>	<u>209,124</u>	<u>196,071</u>	<u>123,339</u>	<u>946</u>	<u>839,376</u>
Acquisition costs								
Cash	-	-	-	60,000	40,000	31,855	-	131,855
	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>40,000</u>	<u>31,855</u>	<u>-</u>	<u>131,855</u>
Total expenditures	<u>131,073</u>	<u>88,298</u>	<u>90,525</u>	<u>269,124</u>	<u>236,071</u>	<u>155,194</u>	<u>946</u>	<u>971,231</u>
Refundable tax credits	<u>(42,208)</u>	<u>(27,738)</u>	<u>(26,892)</u>	<u>(56,999)</u>	<u>(55,732)</u>	<u>(31,386)</u>	<u>-</u>	<u>(240,955)</u>
Balance, August 31, 2017	\$ <u>546,593</u>	\$ <u>459,100</u>	\$ <u>273,557</u>	\$ <u>251,552</u>	<u>214,765</u>	\$ <u>163,175</u>	\$ <u>1,604</u>	\$ <u>1,910,346</u>

EXPLORATION ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2016

The Company incurred property acquisition and deferred exploration costs, which are included in exploration and evaluation assets, as follows:

	Vezza North	Vezza Extension	Bachelor Extension	Florence & Other	WinWin	Grizzly	Fecteau	Courville	Total
Balance, August 31, 2015	\$ 301,014	\$ 222,102	\$ -	\$ 266,120	\$ -	\$ -	\$ -	\$ 1	\$ 789,237
Reclassification	-	-	71,093	(71,093)	-	-	-	-	-
Deferred exploration costs:									
Geophysical	1,373	54,137	-	64,078	-	-	-	-	119,588
Geological	21,817	-	-	1,162	-	-	-	-	22,979
General field expense	-	-	-	-	-	-	15,008	990	15,998
Claim management	1,366	3,256	383	2,736	-	-	-	-	7,358
	<u>24,556</u>	<u>57,393</u>	<u>383</u>	<u>67,593</u>	<u>-</u>	<u>-</u>	<u>15,008</u>	<u>990</u>	<u>165,923</u>
Acquisition costs									
Cash	-	-	-	128,994	35,000	30,000	25,000	-	218,994
Shares	130,000	130,000	130,000	-	-	-	-	-	390,000
Legal and other	6,877	6,876	6,876	-	4,427	4,426	4,426	-	33,907
	<u>136,877</u>	<u>136,876</u>	<u>136,876</u>	<u>128,994</u>	<u>39,427</u>	<u>34,426</u>	<u>29,426</u>	<u>-</u>	<u>642,901</u>
Refundable tax credits	(4,718)	(17,831)	1,572	(7,347)	-	-	(5,067)	(334)	(33,725)
Write-off of exploration and evaluation assets	-	-	-	(384,266)	-	-	-	-	(384,266)
Balance, August 31, 2016	<u>\$ 457,728</u>	<u>\$ 398,540</u>	<u>\$ 209,924</u>	<u>\$ -</u>	<u>\$ 39,427</u>	<u>\$ 34,426</u>	<u>\$ 39,366</u>	<u>\$ 658</u>	<u>\$ 1,180,070</u>

Opus One General Property Location Map (Figure 1)



CHIBOUGAMAU – CHAPAIS / URBAN – BARRY PROPERTY ACQUISITIONS

On June 20, 2016, the Company entered into three separate option agreements (the “Agreements”) with various Quebec based prospectors all dealing at arm’s length with the Company.

Pursuant to the Agreements which are summarized below, Opus has acquired an exclusive option to earn up to a 100% interest in the following claim blocks:

The claims are located in the Chibougamau-Chapais and Urban-Barry mining camps.

Under the terms of the Agreements, Opus has the option to acquire 100% interest in each property on the following terms and conditions:

WinWin

Cash payments over a 4-year period totalling \$500,000 (paid \$95,000), and incurring exploration expenditures totaling \$2,000,000 over a 4-year period (incurred \$209,124).

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Grizzly

Cash payments over a 4-year period totalling \$400,000 (paid \$70,000), and incurring exploration expenditures totaling \$1,500,000 over a 4-year period (incurred \$196,071).

Fecteau

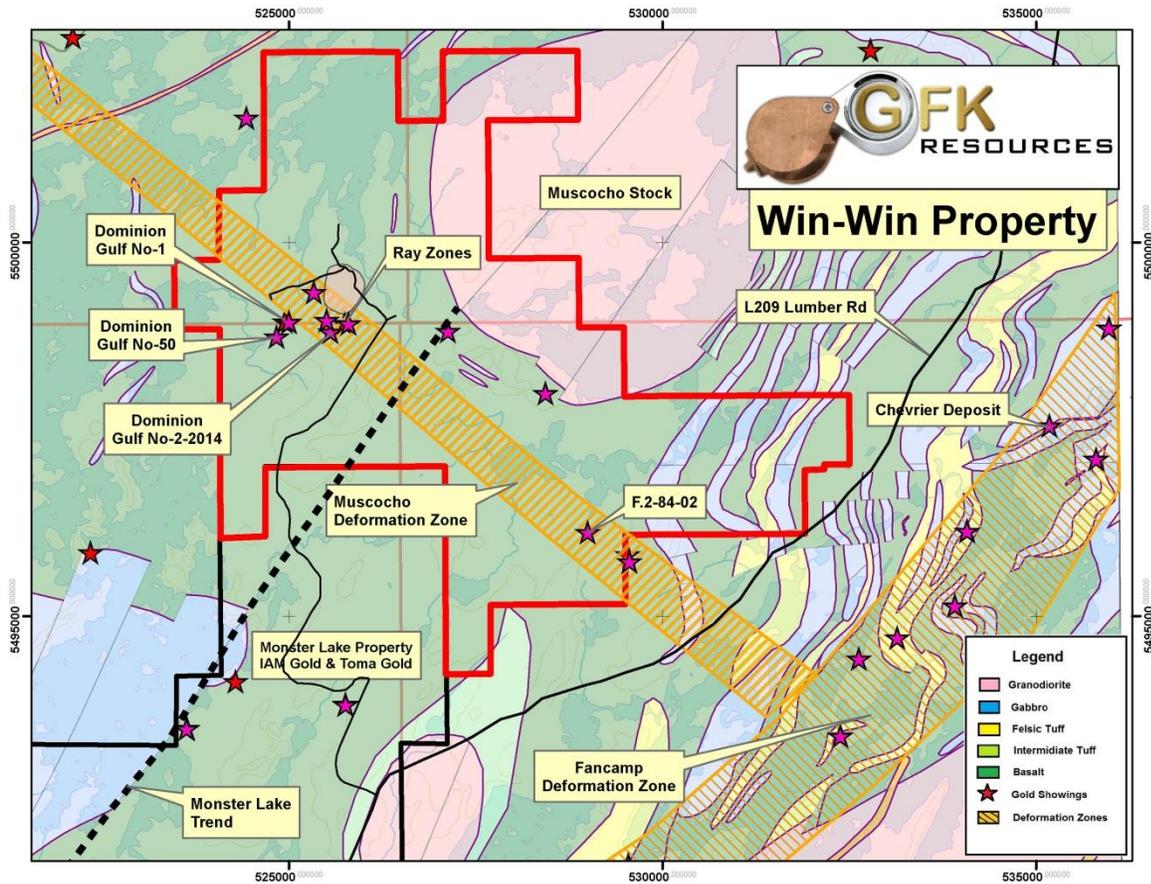
Cash payments over a 4-year period totalling \$355,000 (paid \$55,000), and incurring exploration expenditures totaling \$1,200,000 over a 4-year period (incurred \$123,339).

Each property is subject to a 2% NSR of which 1% can be repurchased for a one-time cash payment of \$1,000,000 per property.

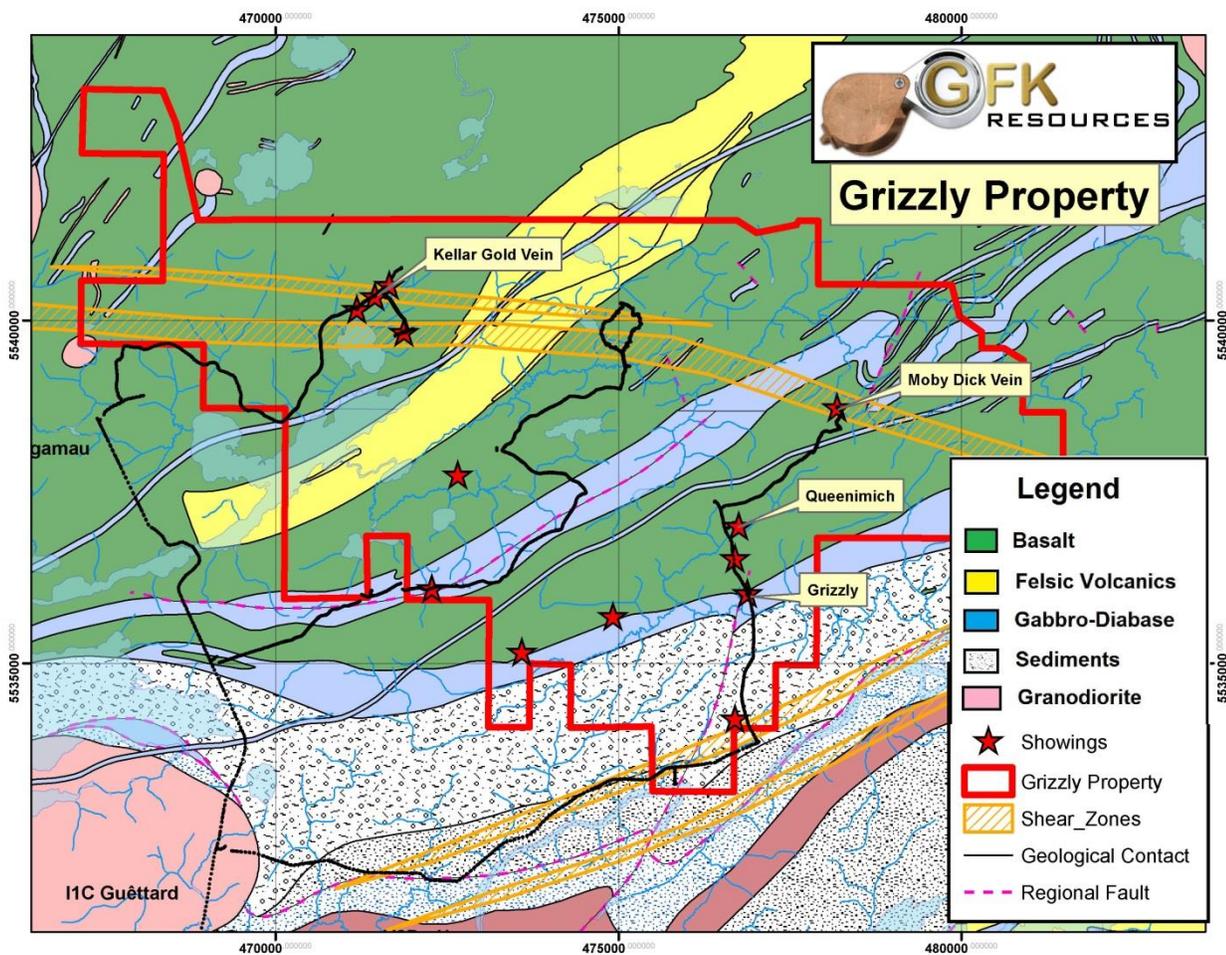
The Company has estimated that \$294,507 (August 31, 2016 - \$65,946) of refundable mining tax credits were receivable from the province of Quebec based on exploration expenditures incurred.

A description of each Property follows:

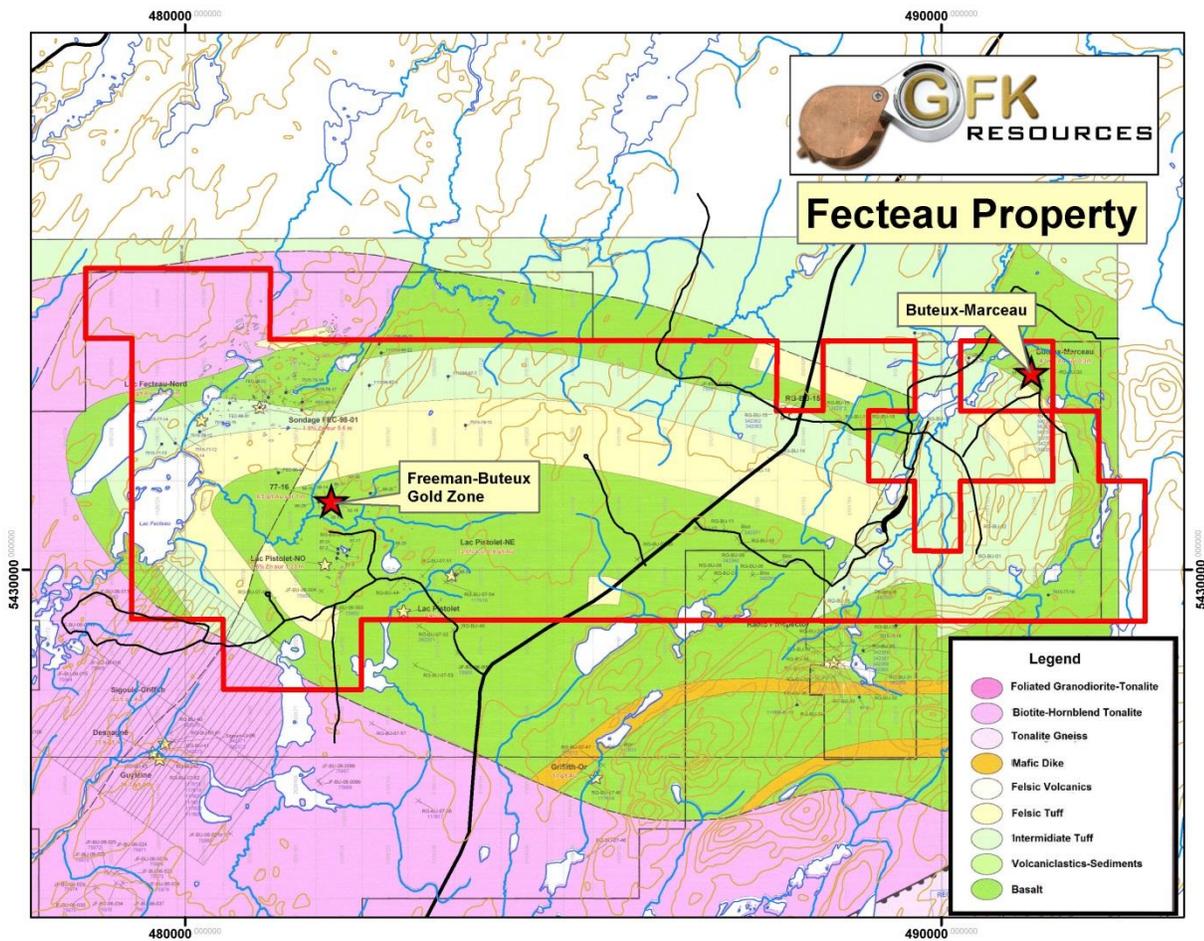
WinWin is a gold property which consists of 71 mining claims covering an area of 3,570 hectares located approximately 30 kilometres South of the town of Chapais. The Property is directly adjacent to the North frontier of IAMGOLD/ Tomagold Monster Lake property and covers a six kilometers strike length of the Monster Lake Deformation Zone (FDZ) and subsidiary shear zones. Numerous gold showings and occurrences are present on the property that shows similarities with the Monster Lake project geology.



Grizzly is a gold property which consists of 136 mining claims covering an area of 7,371 hectares located approximately 35 kilometres North-west of the town of Chapais. The property contains more than 10 gold showings and occurrences associated with EW and NNE trends with grades varying from 1 g/t to up to 46 g/t. Very limited exploration work such as basic prospection, mechanical trenching and few shallow drilling was done over the property



Fecteau is a gold and base metals property which consists of 84 mining claims covering an area of 4,796 hectares located in Buteux Township, South of the town of Chapais. The property is located directly next to Osisko Mining land package of Urban Barry area in the same geological package containing the Windfall Lake deposit (748k oz of indicated resources at 8,4g/t and 860koz at 7,6 g/t of inferred resources, SRK Consulting, November 13, 2014). Two gold occurrences were recognized in the past, namely the Freeman Buteux gold zone and the Buteux-Marceau gold showing. Gold grades up to 8,0g/t were intersected near surface. Little attention was accorded to the gold potential of this project that was considered as a base metal property for most of the previous land owners.



NORTHERN ABITIBI (VEZZA; BACHELOR) PROPERTY ACQUISITIONS

Original option

Pursuant to an option agreement dated December 12, 2013 and superceded by a purchase agreement with a company with a former director in common, Probe Metals Inc. (“Probe”) (formerly Adventure Gold Incorporated)

The Company agreed to purchase three of the Casa Cameron properties located in the Abitibi Greenstone Belt, Quebec (the “Properties”), being Vezza North, Vezza Extension and Bachelor Extension, in exchange for the issuance of a total 3,000,000 common shares (issued and valued at \$390,000);

The Company was also required to pay Probe \$275,000, payable as \$175,000 on closing (paid) and a further \$100,000 payable no later than November 15, 2016 (paid). The Payment was inclusive of \$154,000 in exploration expenditures completed on the Casa-Cameron project, with the balance of the payment recorded as a cash acquisition cost.

The Properties are subject to a 2% net smelter returns royalty (“NSR”) to Probe, 1% of which may be bought back by the Company for \$1,000,000. The Company has also assumed certain existing royalty obligations for certain claims within the Properties. Further, the Company agreed to pay \$1,000,000 to Probe for any of the Properties for which a pre-feasibility study is prepared and filed, payable in cash or shares at the discretion of the Company.

As a result of the purchase, management concluded that the value of five additional properties (Cere-113, Bell-Vezza, Bruneau-Sinclair, Casagasic and KLM) should be written off, resulting in a total impairment charge of \$384,266 during the year ended August 31, 2016.

NORTHERN ABITIBI PROJECT BACKGROUND

The following information concerning the Property has been taken and summarized from and is based upon the technical report prepared by Rémi Charbonneau, Geologist, Ph.D, OGQ permit #290 and Isabelle Robillard, Geologist, M.Sc., OGQ permit #287 (the “Technical Report”), in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”). Mr. Charbonneau and Ms. Robillard are each a “Qualified Person” for the purposes of NI 43-101 and are each independent of Opus within the meaning of NI 43-101. As certain portions of the Technical Report are based on assumptions, qualifications, references and procedures, reference is made to the full text of the Technical Report filed by Opus on SEDAR under its profile at www.sedar.com. Readers are strongly encouraged to review the Technical Report in its entirety.

Area and Location

The Project is located in the Abitibi region of Quebec extending from the Vezza township north of La Sarre to the Le Sueur township northeast of Lebel-sur-Quévillon (Figure 1). The Project originally included nine properties distributed along the 225 km strike of the Casa-Bérardi Cameron structural corridor which presents gold potential. Following the completion of the Asset Purchase Agreement with Adventure Gold, the following individual claims remain as part of the Northern Abitibi Projects:

- Vezza North and Vezza Extension properties are located some 27 km south of Matagami and 152 km north of the town of Amos;
- Bachelor Extension Property is located 90 km north of Lebel-sur-Quévillon and less than 15 km northeast of Desmaraisville.

The continuing project consists of 164 mining titles, with a total surface area of 8,290 ha or 82,9 km². The claims are not contiguous and form three (3) properties, each one being represented by a single continuous claim block, except for the Vezza North property which includes two entities, referred to as the West claim blocks and the East claim blocks.

All the claims are in good standing and are free from any obligations or environmental liability, restoration or decommissioning works. According to Mining Act (Québec) (the "Mining Act"), renewal of claims takes place every two years, with cost depending on area. Claim holders are required to conduct statutory work during the validity period of the claim. Where a claim or lease shows excess spending amounts for required works, these amounts are put to the credit of the claims and are expected to cover several years in most cases. The Project's renewal fees represent \$9,436, the statutory work requirement is \$132,234 and the Project has excess work credits of \$31,034.

The properties comprising the Project are in good standing.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural exploration and evaluation assets. Due to the nature of the Company's proposed business and the present stage of exploration of its exploration and evaluation assets, the following risk factors, among others, will apply:

Mining Industry is Intensely Competitive: The Company's business is the acquisition and exploration of exploration and evaluation assets. The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover resource deposits but from finding resource deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that August be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of resources and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors August result in the Company not receiving an adequate return on invested capital. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company August affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest August be mined at a profit.

Permits and Licenses: The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all

necessary consents, approvals, licenses and permits that August be required to carry out exploration, development and mining operations at its projects.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its exploration and evaluation assets.

Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that might be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its property, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, August be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Matters: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which August well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of any significant exploration and development programs. The development of the Company's property will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its property. In particular, failure by the Company to raise the funding necessary to maintain in good standing the various option agreements it has entered into could result in the loss of the rights of the Company to such property. In addition, should the Company incur significant losses in future periods, it August be unable to continue as a going concern, and realization of assets and settlement of liabilities in other than the normal course of business August be at amounts significantly different from those reflected in its current financial statements. The Company estimates that it can continue operations, at a minimum, for the next twelve months. At August 31, 2017, the Company had cash of \$932,497.

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its working capital and other capital requirements.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies, particularly junior resource exploration companies such as the Company. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital August not be available on terms acceptable to the Company or at all.

In recent months and weeks, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of some companies, particularly those considered exploration stage companies, have experienced declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a consequence, despite the Company's past success in securing significant equity financing, market forces August render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all. Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its exploration and evaluation asset; (ii) the ability to produce resources from any resource deposits that August be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability to obtain the operating resources to develop and maintain the property held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

Price Fluctuations and Share Price Volatility: In recent months, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Uncertainty of Resource Estimates/Reserves: Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that August be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which August prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- reserves, resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at its property, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's property August require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, August differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that August be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that August prove to be inaccurate. Extended declines in market prices for gold, silver, copper or other metals August render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

The Company has not established the presence of any proven and probable reserves at its exploration and evaluation asset. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves at the Company's exploration and evaluation asset. The failure to establish proven and probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.

Surface Rights and Access: Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right of law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it August be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company August need to rely on the assistance of local officials or the courts in such jurisdiction.

Title: Although the Company has taken steps to verify the title to the exploration and evaluation asset in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee title. Title to exploration and evaluation assets August be subject to unregistered prior agreements or transfers, and August also be affected by undetected defects or the rights of indigenous peoples.

SELECTED FINANCIAL INFORMATION

Selected items only	August 31, 2017 Annual	August 31, 2016 Annual	August 31, 2015 Annual
<i>Statement of Comprehensive Loss data:</i>			
Income			
Revenue	\$ -	\$ -	\$ -
Expenses			
Consulting fees paid or accrued	129,868	130,665	87,000
Insurance	10,801	12,677	12,500
Shareholder communications	12,087	561	8,890
Professional fees (legal, audit)	55,694	42,039	47,768
Share-based payments	-	35,640	66,849
Transfer agent and filing fees	31,888	34,563	26,799
Other items			
Interest income	-	2,142	4,288
Reversal of flow through share premium liability	22,756	-	-
Write-off of exploration and evaluation assets	-	(384,266)	(663,253)
Loss and comprehensive loss for the year	\$(253,051)	\$(664,240)	\$(981,355)
Loss per common share	\$ (0.01)	\$ (0.02)	\$ (0.03)

	August 31, 2017	August 31, 2016	August 31, 2015
<i>Statement of Financial Position data:</i>			
Assets			
Cash	\$ 932,497	\$ 169,342	\$ 393,165
Receivables	452,462	119,357	395,923
Prepaid expenses	3,724	3,690	3,717
Exploration and evaluation assets	1,910,346	1,180,070	789,237
Liabilities / Equity			
Current liabilities	240,244	201,720	72,703
Shareholders' equity	3,058,785	1,270,739	1,509,339
Average shares outstanding	49,114,207	37,812,652	37,509,373

Year ended August 31, 2017 compared to the year ended August 31, 2016

During the year ended August 31, 2017, the Company had net loss of \$253,051 as compared to a net loss of \$664,240 for the prior fiscal year.

Consulting fees of \$129,868 (2016 - \$130,665) have remained consistent, although an additional amount of \$41,222 was capitalized to exploration and evaluation assets based on time spent related to our exploration activities. Shareholder communications increased due to the cost of creating the Company's website and attending various conferences. Travel also increased as a result of more outreach on the part of senior management. A new shared office space had been arranged during the quarter commencing in February, 2017, resulting in rent expense for 2017. Professional fees increased principally as a result of higher legal costs normally attributable to an increased level of property activity. All other material administrative expense categories remained comparable period over period.

The Company spent \$839,376 (2016 - \$165,923) during the period on a broad range of exploration activities throughout its Chibougamau / Chapais and its Northern Abitibi property groups, excluding property acquisition costs. The Company also wrote down the value of certain properties in the Casa Cameron Group by \$384,266 during the 2016 fiscal year. During the year, the Company also completed a flow-through share financing with a related premium liability of \$111,450, of which \$22,756 reversed to August 31, 2017 due to qualifying expenditures incurred to that date.

Three months ended August 31, 2017 compared to the three-month period ended August 31, 2016

During the quarter ended August 31, 2017, the Company had net loss of \$68,904 as compared to a net loss of \$123,673 for the same period in the prior year.

Consulting fees of \$44,327 (2016 - \$34,009) have increased due to an accrual for new consulting agreements effective July 1, 2017, although an additional amount of \$4,337 was capitalized to exploration and evaluation assets based on time spent related to our exploration activities. Shareholder communications increased due to the cost of creating the Company's website and attending a conference. A new shared office space had been arranged during the quarter commencing in February, 2017 resulted in office rental of \$1,500 (2016 - \$Nil). Regulatory costs of \$10,835 (2016 - \$21, 656) were affected by the timing of expenditures relating to our annual general meeting and property acquisition activities late in the prior fiscal year. Share based payments of \$Nil (2016 - \$35, 640) are simply the result of the timing of stock option grants. All other material administrative expense categories remained comparable period over period.

The Company spent \$87,802 during the period on a broad range of exploration activities throughout its Chibougamau / Chapais and its Northern Abitibi property groups, together with property option payments (Chibougamau / Chapais) of \$130,000. The Company also wrote down the value of certain properties in the Casa Cameron Group by \$9,189 during the same period in 2016. During the period, the Company also completed a flow-through share financing with a related premium liability of \$111,450, of which \$22,756 reversed to August 31, 2017 due to qualifying expenditures incurred to that date.

QUARTERLY FINANCIAL INFORMATION

The table below sets out the quarterly results for the past eight quarters:

	August 2017	May 2017	February 2017	November 2016
Revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Operating expenses	91,660	62,542	74,664	46,941
Loss for the period	(68,904)	(62,542)	(74,664)	(46,941)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	August 2016	May 2016	February 2016	November 2015
Revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Operating expenses	114,593	56,514	65,875	45,134
Loss for the period	(123,673)	(188,963)	(306,470)	(45,134)
Loss per share	(0.00)	(0.00)	(0.01)	(0.00)

The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation and acquisition program and the timing and results of the Company's exploration activities on its current property, none of which are possible to predict with any accuracy. The variation in net loss can also be significantly affected by the timing of stock option grants and the resultant share-based payment charges, and impairment charges relating to exploration and evaluation assets.

LIQUIDITY AND CAPITAL RESOURCES

The Company depended upon the junior capital markets to raise equity financing needed to fund its working capital requirements. The Company has no revenue generating operations from which it can internally generate funds. It relies on either the sale of its own shares as needed, or the sale or option of its exploration and evaluation assets. This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its projects.

When optioning properties the Company will sometimes issue its own stock to the vendor of the property as partial or full consideration for the property in order to conserve its cash.

On June 22, 2017, the Company completed the first closing of a unit and flow-through share non-brokered private placement for total gross proceeds of \$1,167,200. The Company issued 7,200,000 units at a price of \$0.10 per unit (\$720,000) and 3,440,000 flow-through common shares at a price of \$0.13 per flow-through share (\$447,200). Each unit consisted of one common share of the Company and one common share purchase warrant, each warrant entitling the purchaser to acquire one additional common share of the Company at a price of \$0.15 per share until December 21, 2018.

The Company paid total finders' fees of \$28,160 in cash and issued 224,000 non-transferable share purchase warrants, each warrant entitling the holder thereof to purchase one common share of the Company at a price of \$0.10 per share until December 21, 2018.

On August 3, 2017, the Company completed the second and final closing 2,800,000 units at a price of \$0.10 per unit (\$280,000) and 275,000 flow-through common shares at a price of \$0.13 per share (\$35,750). Each unit consisted of one common share of the Company and one common share purchase warrant, each warrant entitling the purchaser to acquire one additional common share of the Company at a price of \$0.15 per share until February 3, 2019.

The Company paid with the final closing finders' fees of \$20,880 in cash and issued 204,000 non-transferable share purchase warrants, each warrant entitling the holder thereof to purchase one common share of the Company at a price of \$0.10 per share until February 3, 2019.

A flow through liability of \$111,450 was recorded on the above financings based on the premium paid for these shares. As a result of expenditures incurred, the liability has been reduced by \$22,756 to \$88,694.

The Company had a working capital of \$1,148,439 which includes amounts owing to related parties of \$37,293 (August 31, 2016 - \$8,602).

OFF – BALANCE SHEET ARRANGEMENTS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

Management compensation

The Company defines key management as its directors and officers. Key management personnel compensation comprised:

Years ended August 31:	2017	2016
Consulting fees paid to directors and officers	\$ 171,090	\$ 130,665
Professional fees	10,000	-
Share-based payments to directors	-	35,640
As at year end:		
Due to related parties	37,293	8,602

Amounts due to related parties are owed to directors and officers and/or to companies controlled by them, are non-interest bearing, unsecured, with no specific terms of repayment.

PROPOSED TRANSACTIONS

Although the Company is always open to investigating additional property acquisitions that might arise from time to time, as at the date of this MD&A the Company is focused on the exploration requirements of the Chibougamau and Northern Abitibi Projects. The Company does not have any proposed transactions as of the date of the MD&A.

OUTLOOK FOR THE NEXT QUARTER

During the next quarter, the Company anticipates to complete the following exploration work:

- Assay results and interpretation for WinWin and Fecteau.
- Planning, preparation and permit application for winter drilling program for Grizzly, WinWin and Fecteau.
- Geophysical compilation for Fecteau property.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Accounts specifically requiring the use of management's best estimates and assumptions in determining the stated amounts related to deferred income taxes and the evaluation of fair value of exploration and evaluation assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

IFRS ACCOUNTING POLICIES

The significant accounting policies for the period are consistent with those disclosed in the audited annual financial statements for the year-ended August 31, 2017.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that all relevant information required to be disclosed in the Company's reports filed or submitted as part of the Company's continuous disclosure requirements is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure and such information can be recorded, processed, summarized and reported within the time periods specified by applicable regulatory authorities.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at August 31, 2017 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer, have concluded that, as of August 31, 2017 the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in our internal control over financial reporting or any other factors during the period ended August 31, 2017, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy. In regards to the receivables, the Company is not exposed to significant credit risk as they are from governmental agencies.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company normally maintains sufficient cash to meet the Company's business requirements.

Liabilities at August 31, 2017, together with their expected payment were as follows:

	0 to 3 months	3 to 6 months	6 to 12 months	> 12 months	Total
Accounts payable and accrued liabilities	\$ 94,257	\$ 20,000	\$ -	\$ -	\$ 114,257

Liabilities at August 31, 2016, together with their expected payment were as follows:

	0 to 3 months	3 to 6 months	6 to 12 months	> 12 months	Total
Accounts payable and accrued liabilities	\$ 173,118	\$ -	\$ 20,000	\$ -	\$ 193,118

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency

risk and commodity price risk.

i. Interest rate risk

The Company has cash balances which earn interest subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade demand deposit certificates issued by its banking institutions. Management believes that interest rate risk is remote. A 1% change in the interest rate would have no significant impact on interest income reported at August 31, 2017.

ii. Foreign currency risk

The Company is not exposed to foreign currency risk as all monetary assets and liabilities are denominated in Canadian currency.

iii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

SHARE DATA

As of the date of this report the number of common shares outstanding was 63,354,373.

Share purchase options outstanding as of the date of this report are as follows:

	Number of Options	Exercise Price	Expiry Date	Weighted Average Contractual Life Remaining
Granted February 22, 2008	660,000	\$ 0.15	February 22, 2018	0.48 years
Granted February 14, 2014	375,000	\$ 0.30	February 14, 2019	1.46 years
Granted November 28, 2014	100,000	\$ 0.22	November 28, 2019	2.24 years
Granted June 29, 2016	300,000	\$ 0.20	June 29, 2021	3.83 years
	1,435,000			1.56 years

Share purchase warrants outstanding as of the date of this report are as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted Average Contractual Life Remaining
9,130,000	\$ 0.15	March 19, 2018	0.55 years
7,200,000	\$ 0.15	December 21, 2018	1.31 years
224,000	\$ 0.10	December 21, 2018	1.31 years
2,800,000	\$ 0.15	February 3, 2019	1.43 years
204,000	\$ 0.10	February 3, 2019	1.43 years
19,558,000			