MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2017

The following Management's Discussion and Analysis ("**MD&A**") is for Foran Mining Corporation's (the "**Company**") nine months ended September 30, 2017 and covers information up to the date of this MD&A as stated below.

This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements and the notes thereto for the nine months ended September 30, 2017, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

This MD&A may contain forward-looking statements that reflect Management's current expectations with regards to future events. By their nature, these statements involve risk and uncertainties, many of which are beyond the Company's control. Actual results may differ materially from those expressed in such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All amounts are stated in Canadian dollars unless otherwise indicated. Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com or on the Company's website at www.foranmining.com.

This MD&A is dated November 23, 2017.

NATURE OF BUSINESS

The Company was originally incorporated under the laws of British Columbia ("**BC**") on June 21, 1989, was continued into Saskatchewan on November 13, 2007 and was continued back into BC on May 28, 2014. The Company is a reporting issuer in BC, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador. The Company's common shares are traded on the TSX Venture Exchange under the symbol "FOM". The Company's principal business activity is the acquisition, exploration and development of mineral properties with the objective of discovering mineral reserves and the development of an operating mine.

To date the Company has not generated any revenues.

HIGHLIGHTS AND KEY DEVELOPMENTS (to the date of this report)

- On February 13, 2017, the Company received early warrant exercise notifications from Pierre Lassonde, Darren Morcombe, and other insiders. These transactions increased Pierre Lassonde's interest in the Company to 11.6% and Darren Morcombe's, who is Executive Chairman of the Company, to 12.7%. Patrick Soares, President of the Company, and Maurice Tagami, Director of the Company, also exercised their warrants early. In addition, Raglan Capital, the majority owner of Orbian, exercised all of its warrants. Orbian is the largest supply chain finance company in the world, providing financing to several of the largest mining companies globally. The warrants have an exercise price of $0.25 and are due to expire on December 31, 2017. These voluntary warrant exercises resulted in proceeds of $521,169 to the Company;

HIGHLIGHTS AND KEY DEVELOPMENTS (to the date of this report) (continued)

- During the quarter ended March 31, 2017, the Company sold a non-core marketable security from its investment portfolio, realizing a gain on sale of approximately $257,000;

- The Company conducted a drill program in March and April 2017 that consisted of one deep drill hole designed to test a large geophysical anomaly (Target A) that had been identified by a ground based time-domain electromagnetic (TDEM) geophysical survey conducted on the property in 2013 along strike from the Company's flagship McIlvenna Bay deposit. The hole was drilled in an area of muskeg and swamp and an early onset of spring break up postponed the conclusion of the winter drill program at Target A. The drill hole was stopped short of the interpreted depth of the Target A electromagnetic conductor. The Company is currently assessing available options to complete drilling the hole to its target depth. A borehole electromagnetic survey conducted to better identify the location and characteristics of the Target A anomaly identified a large electromagnetic signature just ahead of the end of the hole; and

- In April 2017 the Company engaged Micon International Limited ("**Micon**") to conduct a technical review of the Preliminary Economic Assessment ("**PEA**") on Foran's 100% owned McIlvenna Bay deposit, as discussed in '*Outlook*' below.

OUTLOOK

In November 2014, the Company announced the results of a positive PEA on the Company's flagship project, the 100% owned McIlvenna Bay deposit ("**McIlvenna Bay Deposit**") located within the Hanson Lake Volcanogenic Massive Sulphide ("**VMS**") Camp in east-central Saskatchewan, approximately 65 kilometres ("**km**") west of Flin Flon, Manitoba. The PEA estimated that the project had a pre-tax net present value using a seven percent discount rate ("**$NPV_{7\%}$**") of $381.7 million, a 21.9% internal rate of return ("**IRR**") and a 4.1 year payback; post-tax $NPV_{7\%}$ of $262.6 million, a 18.9% IRR and a 4.1 year payback. The PEA envisions an average throughput rate of 4,800 tonnes per day as a conventional underground operation with pre-production capital cost estimated at $248.8 million. Sustaining capital is estimated at $150.3 million. Based on the positive results of the PEA, Management believes a Feasibility Study should be conducted on the McIlvenna Bay Deposit.

For additional information on the McIlvenna Bay Deposit PEA, see the Company's news release dated November 12, 2014 and the Company's PEA report entitled "Preliminary Economic Assessment Technical Report McIlvenna Bay Project, Saskatchewan, Canada" revised January 21, 2015 at www.foranmining.com or www.sedar.com.

In April 2017 the Company engaged Micon to conduct a technical review of the PEA. Micon will conduct a review of the resource model, the mine plan, metallurgical recoveries and options to improve on capital and operating efficiencies, taking into account changes in economic inputs since the 2014 PEA. Following the review, Micon will prepare a list of potential trade-off studies and development options. These trade-off studies may include such items as mining the high-grade massive sulphides only, lower throughput rates and/or the potential for toll or contract processing. The review will lay out options for development in terms of timing and costs, putting the Company in a better position to choose the most appropriate path forward to completing Preliminary Feasibility and/or subsequent Feasibility Studies on McIlvenna Bay. Micon is not expected to prepare a 43-101 report on its study.

OUTLOOK (continued)

Management's long-term strategy is to develop and build a new base metal mine in the Hanson Lake Mining District. Just as the original Flin Flon Mine became the first of 16 mined deposits in the Flin Flon Mining District, Foran Management hopes to establish the large tonnage McIlvenna Bay deposit as the centre of gravity necessary to support the construction of a central mill and concentrator which will allow the exploitation of numerous deposits and exploration targets identified in the Hanson Lake Mining District to date.

Exploration in the area continues to identify new exploration targets and enhance both historic deposits and mineral occurrences which could provide future mill feed for an operation at McIlvenna Bay. The Company plans to realize its strategy by continuing to advance the McIlvenna Bay Deposit, while simultaneously advancing new discoveries and historic resources within the Hanson Lake VMS District.

Management is contemplating various strategies to secure the financing required for general corporate purposes, the advancement of satellite deposits in the Hanson Lake VMS District, a Feasibility Study for the McIlvenna Bay Deposit and subsequent mine construction.

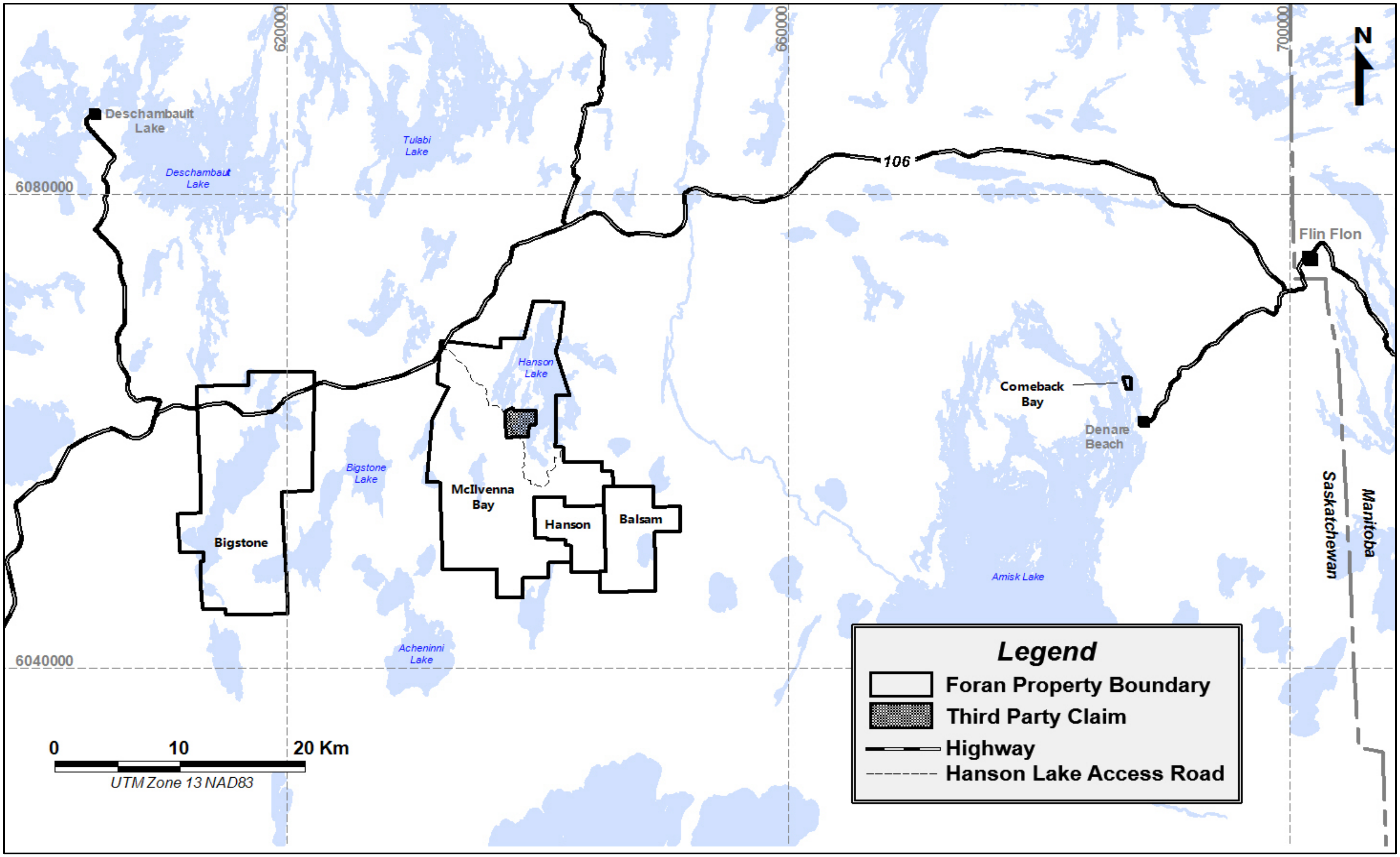
QUALIFIED PERSON

Mr. Roger March, P.Geo., VP Project Exploration for the Company and a Qualified Person within the meaning of National Instrument ("**NI**") 43-101, has reviewed the technical information in this MD&A.

MINERAL PROPERTIES

SASKATCHEWAN PROPERTIES

As of the date of this report, the Company has five properties in Saskatchewan comprising a total of 53 claims for 43,178 hectares ("**ha**"), located between 15 and 90km west of Flin Flon, Manitoba. The four westernmost properties are higher priority, consisting of the McIlvenna Bay Property which contains the McIlvenna Bay Deposit, two properties contiguous to the McIlvenna Bay Property (Hanson and Balsam) and one non-contiguous property (Bigstone), all of which occur at the western limit of the Flin Flon Greenstone Belt. All four properties are underlain by prospective felsic volcanic stratigraphy that hosts variably significant VMS styles of alteration and mineralization. The easternmost property in Saskatchewan (Comeback Bay) is of lower priority having both precious and base metal VMS potential within the western limit of the Flin Flon Arc Assemblage (Birch Lake Belt).



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620000
660000
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Deschambault Lake
Deschambault Lake
Tulabi Lake
106
Flin Flon
Hanson Lake
Comeback Bay
Denare Beach
Bigstone Lake
McIlvenna Bay
Hanson
Balsam
Bigstone
Amisk Lake
Achenini Lake
Saskatchewan
Manitoba
0
10
20 Km
UTM Zone 13 NAD83
Legend
Foran Property Boundary
Third Party Claim
Highway
Hanson Lake Access Road

MINERAL PROPERTIES (continued)

SASKATCHEWAN PROPERTIES (continued)

1) MCILVENNA BAY PROPERTY

The Company has a 100% interest in the McIlvenna Bay Property in east central Saskatchewan. The McIlvenna Bay Property consists of 30 claims covering a total of 20,382 ha. The McIlvenna Bay Deposit is located on the McIlvenna Bay Property, approximately one km south of Hanson Lake, Saskatchewan, 375km northeast of Saskatoon, Saskatchewan and 65km west south-west of Flin Flon, Manitoba. The McIlvenna Bay Deposit is linked to Flin Flon, Manitoba by 85km of highway followed by 18km of unsealed secondary road.

Some of the claims that make up the McIlvenna Bay Property are subject to a Net Tonnage Royalty of $0.75 per tonne of ore extracted, with a right of first refusal in favour of the Company if an offer to purchase the Net Tonnage Royalty is made.

Cameco Corporation ("**Cameco**") and BHP Billiton ("**Billiton**") collectively hold a 1% Net Smelter Return ("**NSR**") royalty interest on McIlvenna Bay, which can be purchased by the Company at any time for $1,000,000.

The McIlvenna Bay Deposit was discovered in 1988 and includes two distinct styles of VMS mineralization which include massive to semi-massive sulphides and copper stockwork. In November 2014, the Company announced the results of a positive PEA on the McIlvenna Bay Deposit. The PEA was completed by JDS Energy & Mining Inc.

For additional information on the McIlvenna Bay Deposit PEA, see the Company's news release dated November 12, 2014 and the Company's PEA report entitled "Preliminary Economic Assessment Technical Report McIlvenna Bay Project, Saskatchewan, Canada" revised January 21, 2015 at www.foranmining.com or www.sedar.com.

Exploration Activities

The Company conducted a winter 2017 drill program that consisted of one deep drill hole designed to test a large geophysical anomaly (Target A) that had been identified by a ground based time-domain electromagnetic (TDEM) geophysical survey conducted on the property in 2013 along strike from the McIlvenna Bay Deposit. The hole was drilled in an area of muskeg and swamp and an early onset of spring break up forced an early conclusion to the winter drill program at Target A. The drill hole was stopped short of the interpreted depth of the Target A electromagnetic conductor. The Company is currently assessing available options to complete drilling the hole to its target depth. A borehole electromagnetic survey was conducted to better identify the location and characteristics of the Target A anomaly.

Since 2011, the Company has been working to advance the McIlvenna Bay Deposit through continued exploration, resource definition and environmental and engineering studies. Information on completed studies on the McIlvenna Bay Deposit is included in the PEA.

The Company continues to conduct exploration activities directed towards identifying additional resources on its Hanson Lake VMS District landholdings surrounding the McIlvenna Bay Deposit.

SASKATCHEWAN PROPERTIES (continued)

1) MCILVENNA BAY PROPERTY (continued)

2017 Expenditure Requirements

There are no expenditures required in fiscal 2017 to keep the McIlvenna Bay Property in good standing.

2) BIGSTONE

The Company has a 100% interest in the Bigstone Property, which is comprised of 13 claims totalling 16,117 ha oriented north-south to cover roughly 20km of prospective volcanic stratigraphy.

The Bigstone Property hosts a deposit (the "**Bigstone Deposit**") with an historic mineral resource estimate prepared by past operators in 1990. The Company is not treating the historic estimates as current as a Qualified Person within the meaning of NI 43-101 has not completed sufficient work to classify the historic estimate as current; additional work, including re-surveying, re-logging and drill core QA/QC would be required to verify and upgrade the historic estimate to current.

For additional information on the Bigstone Deposit, see the Company's website at www.foranmining.com under the Properties/Bigstone link.

In October 2014, the Company completed an agreement with Teck Resources Limited ("**Teck**") whereby certain back-in rights held by Teck on the Company's Bigstone, Balsam and Hanson properties were extinguished in exchange for 1,000,000 common shares of the Company, 1,000,000 share purchase warrants, and certain future sale participation rights. The warrants expired unexercised on October 14, 2016.

In the event the Company sells or options any of the Bigstone, Balsam and Hanson Properties prior to September 30, 2018, the Company will pay Teck in-kind an amount equal to 10% of the proceeds.

Some of the claims that make up the Bigstone Property are subject to a 2% NSR royalty.

2017 Expenditure Requirements

Expenditures of $6,856 are required in 2017 to keep the Bigstone Property in good standing.

3) BALSAM

The Company has a 100% interest in the Balsam Property, which is comprised of seven claims totalling 4,066 ha contiguous with the McIlvenna Bay and Hanson Properties. Balsam claims cover the southeast strike extension of McIlvenna Bay stratigraphy and host a number of significant VMS occurrences including recently discovered high-grade copper mineralization in the Thunder Zone, as well as the Balsam Zone, where an historic mineral resource estimate has been outlined. Further drilling, sampling and geological interpretation will be required to upgrade the historic resource to current.

SASKATCHEWAN PROPERTIES (continued)

3) BALSAM (continued)

In October 2014, the Company completed an agreement with Teck whereby certain back-in rights held by Teck on the Company's Bigstone, Balsam and Hanson Properties were extinguished (see 'Bigstone' above).

Some of the claims that make up the Balsam Property are subject to a 2% NSR royalty.

2017 Expenditure Requirements

There are no expenditures required in fiscal 2017 to keep the Balsam Property in good standing.

4) HANSON

The Company has a 100% interest in the Hanson Property, which is comprised of two claims totalling 2,565 ha contiguous with the McIlvenna Bay Property to the north and west and the Balsam Property to the east. A number of VMS targets are known from past exploration.

In October 2014, the Company completed an agreement with Teck whereby certain back-in rights held by Teck on the Company's Bigstone, Balsam and Hanson Properties were extinguished (see 'Bigstone' above).

2017 Expenditure Requirements

There are no expenditures required in 2017 to keep the Hanson claims in good standing.

5) COMEBACK BAY

The Comeback Bay Property is comprised of one claim totalling 48 ha which is located 15km southwest of Flin Flon.

The Comeback Bay claim is subject to a joint venture agreement in which the Company owns a 65% interest and Coronation Mines Ltd. (a subsidiary of Cobalt Solutions Inc.) owns the remaining 35%. This claim is subject to a 2.5% NSR royalty and a 10% NPI.

2017 Expenditure Requirements

There are no expenditures required in fiscal 2017 to keep the remaining Comeback Bay claim in good standing.

MANITOBA PROPERTY

REED LAKE

The Company has a 100% interest in the Reed Lake Property, which is comprised of a single claim totaling 195 ha located 105km east of Flin Flon and 21km southwest of Snow Lake.

Reed Lake is subject to a 1% NSR royalty. Geologically, the claim occurs within the Snow Lake arc assemblage at the eastern limit of the Flin Flon Greenstone Belt. Historic drilling has intersected altered and weakly mineralized felsic to intermediate volcanic rocks equivalent to those hosting the HudBay Minerals Inc.'s Lalor deposit, situated 15km to the northeast.

2017 Expenditure Requirements

There are no expenditures required in fiscal 2017 to keep the Reed Lake claims in good standing.

OVERALL PERFORMANCE

FINANCIAL CONDITION

The net assets of the Company increased from $27,035,100 at December 31, 2016 to $27,277,269 at September 30, 2017, an increase of $242,169. The most significant assets at September 30, 2017 were exploration and evaluation assets of $26,624,019 (December 31, 2016: $25,704,608) and cash and cash equivalents of $480,264 (December 31, 2016: $1,028,701).

The $919,411 increase in exploration and evaluation assets was a result of the Company capitalizing certain exploration costs on its McIlvenna Bay Property and other Saskatchewan properties. The most significant capitalized exploration costs consisted of administration of $309,760, drilling of $242,318, consulting of $115,019 and fuel of $70,828 related to the winter 2017 drill program described in '*Exploration Activities*' on Page 5.

The Company's liabilities at September 30, 2017 consisted of accounts payable and accrued liabilities of $47,947 (December 31, 2016: $51,802) and deferred share units of $325,796 (December 31, 2016: $324,972).

The Company has a deferred share unit plan ("**DSU Plan**") which awards deferred share units to participants of the DSU Plan. Awards are initially charged to operations using the market value of the Company's common shares that best represents the period for which the awards were earned, with the corresponding liability recorded as deferred share units. At each period end, the liability is revalued using the market value of the Company's common shares, with the corresponding increase or decrease recorded to operations as a revaluation of deferred share units.

Upon separation from the Company, a participant will receive the cash equivalent of the fair market value of the DSUs based on the market value of the Company's common shares on the date of separation.

FINANCIAL CONDITION (continued)

Effective December 1, 2014, the Company entered into an agreement with its Executive Chairman whereby the Executive Chairman will be compensated for his services with DSUs on a monthly basis, to a maximum of $8,000 per month. Effective January 1, 2016, the Chairman agreed to reduce his monthly DSU allocation by approximately 50%. At September 30, 2017, an amount of $271,728 (December 31, 2016: $265,112) was owed to the Executive Chairman. The number of outstanding DSUs owed to the Executive Chairman at September 30, 2017 was 970,458 (December 31, 2016: 855,199).

Effective January 1, 2015, the Company began compensating its independent directors with DSUs on a quarterly basis in an amount of $4,000 per director. Effective October 1, 2015, the Company's Board of Directors passed a resolution to suspend the DSU arrangement with its independent directors. At September 30, 2017 an amount of $54,064 (December 31, 2016: $59,857) was owed to the independent directors. The number of outstanding DSUs owed to independent directors at September 30, 2017 was 193,087 (December 31, 2016: 193,087).

RESULTS OF OPERATIONS

Quarter ended September 30, 2017

The Company recorded a net loss of $171,390 for the quarter ended September 30, 2017 (2016: $173,542). Expenses before other items were $205,094 (2016: $172,142) with the most significant being salaries and benefits of $78,715 (2016: $62,115), share-based payments expense of $50,207 (2016: $21,808) and office and administration costs of $35,333 (2016: $30,441). The majority of other items for the quarter ended September 30, 2017 was an unrealized gain of $33,610 (2016: unrealized loss of $4,246) on the revaluation of deferred share units.

Salaries increased by $16,600 as a result of the Company's Management team increasing its work weeks during the quarter ended September 30, 2017.

Share-based payments expense was $28,399 higher for the quarter ended September 30, 2017. The Company applies the fair value method of accounting for all awards of stock options by using the Black-Scholes Option Pricing Model. Variations in share-based payments expense is based on a number of factors including, but not limited to, the size and occurrence of grants during a particular period, the Company's share price at the time of an option grant and the timing of recording share-based payments expense based on vesting schedules.

Nine months ended September 30, 2017

The Company recorded a net loss of $521,411 for the nine months ended September 30, 2017 (2016: $793,751). Expenses before other items were $814,433 (2016: $666,141) with the most significant being salaries and benefits of $244,363 (2016: $215,995), share-based payments expense of $242,840 (2016: $103,116) and office and administration costs of $122,145 (2016: $151,952). The majority of other items for the nine months ended September 30, 2017 was a gain on sale of investments of $257,028 (2016: $Nil) and an unrealized gain of $35,176 (2016: unrealized loss of $130,564) on the revaluation of deferred share units.

Nine months ended September 30, 2017 (continued)

Share-based payments expense was $139,724 higher for the nine months ended September 30, 2017. During the nine months ended September 30, 2017, the Company granted 1,685,000 stock options (2016: 2,760,000) with a weighted average exercise price of $0.40 (2016: $0.11). The difference in exercise price was the most significant factor contributing to the higher share-based payments expense.

Salaries increased by $28,368 as a result of the Company's Management team increasing its work weeks slightly during the nine months ended September 30, 2017.

The gain on sale of investments of $257,028 for the nine months ended September 30, 2017 was a result of the Company selling shares of a mineral exploration company listed on the Canadian Securities Exchange for proceeds of $257,028.

CASH FLOWS

Quarter ended September 30, 2017

Cash and cash equivalents decreased by $311,327 during the quarter ended September 30, 2017, from $791,591 at June 30, 2017 to $480,264 at September 30, 2017. The decrease was a result of cash of $153,155 used in investing activities, cash of $159,172 used in operating activities, partially offset by cash of $1,000 provided by financing activities.

The cash used in investing activities consisted of exploration and evaluation asset expenditures of $144,697 relating to the Company's spring 2017 drill program discussed in '*Exploration* Activities' on Page 5 and the purchase of equipment of $8,458.

The cash used in operating activities consisted of a net loss of $171,390, non-cash items of $46,977 and a net change in non-cash working capital items of $34,759.

Nine months ended September 30, 2017

Cash and cash equivalents decreased by $548,437 during the nine months ended September 30, 2017, from $1,028,701 at December 31, 2016 to $480,264 at September 30, 2017. The decrease was a result of cash of $591,748 used in investing activities and cash of $478,858 used in operating activities, partially offset by cash of $522,169 provided by financing activities.

The cash used in investing activities consisted of exploration and evaluation asset expenditures of $836,819 relating to the Company's winter 2017 drill program discussed in '*Exploration Activities*' on Page 5 and the purchase of equipment of $11,957. This was partially offset by proceeds on the sale of investments of $257,028 relating to the sale of shares of a mineral exploration company listed on the Canadian Securities Exchange.

The cash used in operating activities consisted of a net loss of $521,411, non-cash items of $42,867 and a net change in non-cash working capital items of $314.

The cash provided by financing activities consisted of the receipt of $522,169 pursuant to the exercise of 2,088,676 warrants.

SUMMARY OF QUARTERLY RESULTS

	Q3, 2017	Q2, 2017	Q1, 2017	Q4, 2016
	$	$	$	$
Net loss for the period	(171,390)	(246,214)	(103,807)	(240,019)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Q3, 2016	Q2, 2016	Q1, 2016	Q4, 2015
	$	$	$	$
Net loss for the period	(173,542)	(304,774)	(315,435)	(374,304)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Over the last eight quarters, the Company's net loss has ranged from $103,807 in Q1, 2017 to $374,304 in Q4, 2015.

The loss of $171,390 in Q2, 2017 consisted of expenses of $205,094, partially offset by other items of $33,704. The most significant expenses were salaries and benefits of $78,715, share-based payments expense of $50,207 and office and administration costs of $35,333. The most significant other item was an unrealized gain of $33,610 on the revaluation of deferred share units.

The loss of $103,807 in Q1, 2017 consisted of expenses of $352,052, offset by other items of $248,245. The most significant expenses were share-based payments expense of $142,971 and salaries and benefits of $82,898. The most significant other item was a gain on sale of investments of $257,028.

The following table provides a breakdown of the expenses that contributed to the quarterly net losses:

	Q3, 2017	Q2, 2017	Q1, 2017	Q4, 2016
	$	$	$	$
Share-based payments expense	50,207	49,662	142,971	21,807
Salaries and benefits	78,715	82,750	82,898	58,381
Other expenses	76,172	124,875	126,183	73,534
Total expenses for the period	205,094	257,287	352,052	153,722

SUMMARY OF QUARTERLY RESULTS (continued)

	Q3, 2016	Q2, 2016	Q1, 2016	Q4, 2015
	$	$	$	$
Share-based payments expense	21,808	21,570	59,738	20,193
Salaries and benefits	62,115	66,005	87,875	216,782
Other expenses	88,219	117,693	141,118	157,796
Total expenses for the period	172,142	205,268	288,731	394,771

Together, share-based payments expense and salaries and benefits comprised a significant portion (between 43% in Q2, 2016 and 64% in Q1, 2017) of the expenses which contributed to the net loss for each of the quarters from Q4, 2015 to Q3, 2017.

The share-based payments expense was the fair value of the stock options that vested in each respective quarter. The Company granted 1,685,000 stock options with an exercise price of $0.40 per share in Q1, 2017 which contributed to the share-based payments expense of $142,971 as one-third of the stock options vested immediately.

Salaries and benefits in Q1, 2017, Q2, 2017 and Q3, 2017 were higher than the previous few quarters as the Company's Management team increased its work week effective February 2017.

Other expenses include items such as amortization, directors' fees, investor relations costs, office and administration, professional fees and travel and accommodation.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure that there is sufficient working capital to fund near term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity. When appropriate, the Company will seek joint venture partners in order to fund or share the funding of its exploration properties to minimize shareholder risk.

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. Operational activities have been funded through private placements. At September 30, 2017, the Company had working capital of $494,305 (December 31, 2016: $1,058,274). While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. These uncertainties raise significant doubt about the Company's ability to continue as a going concern.

The Company has no bank debt or banking credit facilities in place.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS

The Company has an estimated future minimum lease payment of approximately $56,000 relating to an office lease agreement that expires June 30, 2018.

RELATED PARTY TRANSACTIONS

Key Management compensation

Key Management personnel at the Company are the Directors and Officers of the Company.

The remuneration of key Management personnel for the three and nine months ended September 30 was as follows:

		Three months ended September 30,		Nine months ended September 30,	
		2017	2016	2017	2016
		$	$	$	$
Short-term benefits	1	138,681	86,448	426,876	303,358
Share-based payments	2	60,042	27,526	290,186	130,461
Deferred share units	3	12,000	12,000	36,000	36,000
Total		210,723	125,974	753,062	469,819

1 Short-term benefits consisted exclusively of salaries and health benefits and consulting fees for key Management personnel, some of which have been capitalized to exploration and evaluation assets.

2 Share-based payments were non-cash items that consisted of the fair value of stock options that had been granted to key Management personnel, some of which have been capitalized to exploration and evaluation assets.

3 Deferred share units consisted of DSUs awarded to the Company's Executive Chairman which was recorded as salaries and benefits.

On June 21, 2016, the related company described in notes a), b) and c) below was acquired by another company and as such ceased to be related effective June 22, 2016.

a) During the nine months ended September 30, 2017, the Company charged SnipGold Corp. ("**SnipGold**"), a company that had two directors and two officers in common $Nil (2016: $9,000) for administration expenses including office rent and office operating costs, the amount of which was netted against office and administration expenses in the condensed consolidated interim statement of loss and comprehensive loss.

RELATED PARTY TRANSACTIONS (continued)

b) During the nine months ended September 30, 2017, the Company was charged $Nil (2016: $17,508) for office manager services by SnipGold, the amount of which was included in professional fees in the condensed consolidated interim statement of loss and comprehensive loss.

c) During the nine months ended September 30, 2017, the Company charged SnipGold $Nil (2016: $22,200) for CFO services, the amount of which was netted against salaries and benefits in the condensed consolidated interim statement of loss and comprehensive loss.

d) During the nine months ended September 30, 2017, the Company was charged $5,305 (2016: $8,776) by the Executive Chairman for office rent, the amount of which was included in office and administration expenses in the condensed consolidated interim statement of loss and comprehensive loss. At September 30, 2017, accounts payable and accrued liabilities included an amount of $Nil (December 31, 2016: $5,399) for this expense.

e) At September 30, 2017, the Company owed a total of 1,163,545 DSUs (December 31, 2016: 1,048,286) fair valued at $325,796 (December 31, 2016: $324,972) to key management personnel, which is included in the condensed consolidated interim statement of financial position.

PROPOSED TRANSACTIONS

As of the date of this report, there were no proposed transactions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Significant assumptions about the future and other sources of estimation uncertainty that Management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by Management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by Management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

The going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Impairment

The assessment of any impairment of plant and equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Judgment is required in assessing the appropriate level of cash generating units to be tested for such impairment.

Decommissioning liabilities

In the event that decommissioning liabilities are required to be recognized, such liabilities would be stated at the fair value of estimated future costs. Such estimates require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the consolidated financial statements for the year ended December 31, 2016.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 9 of the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2017.

OTHER MD&A REQUIREMENTS

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

General and administration expenses for the nine months ended September 30 were as follows:

	2017	2016
	$	$
Depreciation	56,051	68,666
Investor relations	56,651	54,234
Office and administration	122,145	151,952
Professional fees	58,668	56,887
Salaries and benefits	244,363	215,995
Share-based payments expense	242,840	103,116
Transfer agent, regulatory and filing fees	15,823	15,291
Travel and accomodation	17,892	-
	814,433	666,141

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value.

As at the date of this report, there were 98,969,951 common shares issued and outstanding.

As at the date of this report, there were 7,900,000 stock options and 852,500 share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

The principal risk faced in the advanced exploration stage is the ability to raise the funds required to further assess the viability of a mineral deposit. This phase requires high expenditures to determine if a deposit may be profitable to mine. The Company does not operate any producing properties and as such, is dependent on the ability to raise funds. Although the Company believes it has sufficient access to financial markets to support its intended work plan, failure to do so would result in future work being suspended. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. These uncertainties raise significant doubt about the Company’s ability to continue as a going concern.

Financial assets and liabilities consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and deferred share units. It is management’s opinion that the Company is not exposed to significant interest or credit risks arising from these financial assets and liabilities.

RISKS AND UNCERTAINTIES (continued)

The Company's activities involve the application for permits from Provincial authorities and such activities are governed by various laws and regulations that cover the protection of the environment, land use, exploration, development, co-ordination of operations and infrastructure with third parties engaged in other activities on the lands, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Canada provides restrictions and prohibitions on spills and various substances produced in association with certain exploration activities which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of activities require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of higher standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. There can be no absolute assurance, however, that all permits which the Company may require for exploration activities and land use will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations will not have an adverse effect on any exploration projects that the Company may undertake.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations within the Company will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to property, and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruption, impaired access to site, legal or regulatory changes, flooding, explosions, cave-ins, landslides, weather conditions and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in extraction operations and the conduct of exploration programs. The Company's exploration activities will be subject to the availability of third party contractors and equipment. There are also physical risks to the exploration personnel. If any of the Company's properties are found to have commercial quantities of mineralization, the Company could be subject to additional risks respecting any development and production activities.

All of the properties in which the Company has an interest are in the exploration stage and are currently without reserves. Development of these mineral properties will only follow upon obtaining satisfactory exploration results, receipt of positive engineering studies, access to adequate funding, community support and all necessary permits, licenses and approvals. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and the infrastructure at any site chosen for mining. There is no assurance that these mineral exploration and development activities will result in any discoveries of commercial mineral deposits. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control.

RISKS AND UNCERTAINTIES (continued)

Factors beyond the control of the Company may affect the market price of minerals produced and the marketability of any ore or minerals discovered at and extracted from the Company's properties. Metal prices are subject to significant fluctuation and are affected by numerous factors beyond the Company's control including international economic, financial and political events, global or regional supply and demand patterns and speculative activities. The effect of these factors on the Company's operations cannot accurately be predicted.