MARITIME RESOURCES CORP.

Management's Discussion & Analysis

For the Three Months Ended
March 31, 2017
(the "Period")

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Cautionary Notices

The Company's financial statements for the three months ended March 31, 2017, and this accompanying Management's Discussion and Analysis ("MD&A") contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecasted or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks and Uncertainties Related to the Company's Business" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks and Uncertainties Related to the Company's Business" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals, title to properties, and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Introduction

The management's discussion and analysis ("MD&A" or "Report") of Maritime Resources Corp. (the "Company" or "Maritime") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at May 30, 2017 (the "Report Date"), and provides comparative analysis of the Company's financial results for the Period. The following information should be read in conjunction with the Company's audited financial statement for the year ended December 31, 2016 and the Company's condensed interim financial statement for the period ended March 31, 2017 together with the notes thereto (collectively, the "Financial Statements"). Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

The Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance, and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A. Additional information relating to the Company may be found on SEDAR at *www.sedar.com*.

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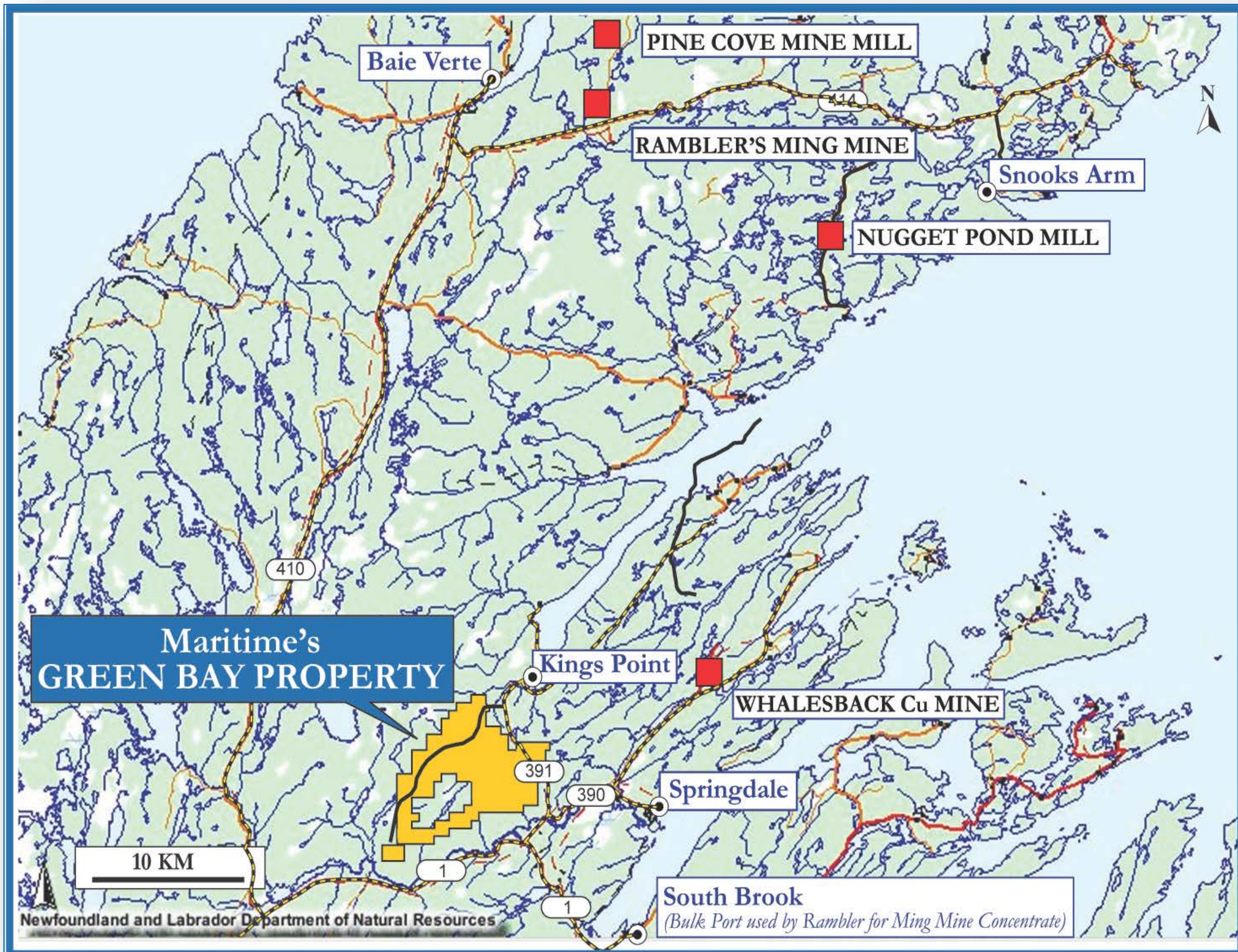
Description of Business and Overall Performance

The Company is a gold and base metals exploration company with a focus on Canadian mining opportunities with advanced exploration assets in Newfoundland and Labrador, Canada. The Company is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol MAE.



Maritime holds 100% of the Green Bay Property, located near Springdale, Newfoundland and Labrador. The property hosts the past producing Hammerdown gold mine and the Orion gold deposit, separated by a 1.5 km distance. In addition the property also host the Lochinvar base metals/precious metals deposit.

The Hammerdown gold deposit was successfully mined by Richmont Mines between 2000 and 2004 while gold prices averaged $325/oz. During its operation, a total of 291,400 tonnes of ore were mined and milled, at an average grade of 15.83 g/t Au, recovering a total of 143,000 ounces of gold at an 8 g/t cut-off. All of the ore was processed at the Nugget Pond mill, now owned and operated by Rambler Metals and Mining Canada Limited, with an average gold recovery of 97.1%. Mining terminated in 2004 due to low gold prices with extensive gold mineralization remaining, although uneconomic at that time. The Orion gold deposit consists of two main vein systems, both of which are open along strike, and down plunge to the northeast.

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With the positive PFS, the Company is looking forward to an aggressive work program for 2017 with plans to advance the Hammerdown gold mine to a final production decision. The work program will begin by opening the underground portal to the historic Hammerdown mine. Once the Portal has been open a full assessment will be initiated to determine the work required to rehabilitate the underground workings. During this time, project permitting will continue with the goal to complete an Environmental Assessment registration.

The Company's management and engineering team will continue its focus on the opportunities outlined in the PFS with a goal to further enhance the project's economics with CAPEX and schedule reductions. A surface drill program is also being planned to target extension of mined areas and to drill test a portion of the inferred resource that exists within the PFS mine plan area is planned.

On completion of the 2017 planned work programs the Company intends to aggressively seek potential funding partners to bring Hammerdown gold mine back to production.

Highlights for the three months ended March 31, 2017

March 2, 2017: PFS received

In March, 2017, the PFS, aimed to reopen Hammerdown, was received from WSP Canada Inc. ("WSP"). WSP were mandated to evaluate the potential of bringing the past producing gold mine back into commercial production. The study was completed on the measured & indicated NI43-101 mineral resource estimate, producing proven and probale reserves for the past producing Hammerdown gold mine.

The Study was successful in demonstrating a viable mining operation with low upfront capital and short time line to the start of gold production. The engineering design optimizes a small foot print within the historical mine area as well as utilizing some of the existing underground infrastructure where possible. The operation is schedule to run at a capacity of approximately 400 metric tons per day ('mtpd') over a five-year mine life.

The results show positive economics, strong internal rate of return, short payback period and significant cash flow under reasonable commodity price assumptions. The pre-tax operating cash cost to produce an ounce of gold is $558 CDN with an all in pre-tax-cost (including capital, sustaining capital and operating cost) of $955 CDN per ounce of gold.

In addition, there remain numerous opportunities for improvement to reduce the planned development and capital costs. Maritime will continue to evaluate these opportunities with a goal to fully optimize the returns from the mining operation.

PRE-FEASIBILY STUDY ('PFS') HIGHLIGHTS

- Project Pre-tax net present value ('$NPV_{8\%}$') of $71.2 million with an IRR of 46.8% per cent.
- Project after-tax net present value ('$NPV_{8\%}$') of $44.2 million with an internal rate of return ('IRR') of 34.8%
- Net pre-tax cash flow of $104 million, undiscounted. Net after-tax cash flow of $69 million, undiscounted.
- Total Development and Capital Cost Estimate for the five-year life of mine of $67.8 million,
  - Mine Development Capital of -$16.8 million
  - Equipment Capital of - $10.6 million
  - Infrastructure Capital of - $13.0 million
  - Sustaining Capital - $12.9 million
  - Indirect costs of - $ 7.3 million
  - Contingency of - $7.2 million
- Mine life for the current plan at Hammerdown is five years, producing approximately 174,000 ounces at an average of approximately 35,000 ounces per year. Basic assumptions used for the compilation of this PFS:
  - Gold Price of US$ 1,250 per ounce

- o Exchange Rate of 0.8 US$: 1 CA$ (or 1 US$: 1.25 CA$)
- o Project discount rate of 8%
- o Mill recovery of 97% based on the historic treatment of the ore at the nearby Nugget Pond Gold Mill from 2000 to 2004.

MINERAL RESOURCE AND RESERVE UPDATE

As part of the PFS, a new geological resource and reserve has been estimated for the Hammerdown project. Tables 1 and 2 below outline the results of this updated estimate which will also be detailed in the technical report filed with SEDAR. No inferred mineralisation was included in the reserve estimate.

MINERAL RESERVE

Table 1 *Mineral Reserve Estimate Summary for the Hammerdown Gold Project*

CLASSIFICATION	QUANTITY tonnes	GRADE Au, g/t	CONTAINED METAL Au, Koz
Proven Reserves (undiluted, unrecovered)	**118,600**	**15.17**	**57.8**
Probable Reserves (undiluted, unrecovered)	**320,600**	**11.79**	**121.5**
Total Proven and Probable Reserve (undiluted, unrecovered)	439,200	12.70	179.4
Dilution (all sources)	261,400	0	0
Reserve (diluted and recovered)	**700,600**	**7.96**	**179.4**

Note: see Mineral Reserve Statement Notes below

MINERAL RESOURCE

Table 2 *Mineral Resource Estimate for the Hammerdown/Rumbullion/Muddy Shag Gold Deposits*

CLASSIFICATION	QUANTITY tonnes	GRADE Au, g/t	CONTAINED METAL Au, Koz
Measured	372,170	12.09	144.7
Indicated	553,500	9.60	170.9
Total Measured + Indicated	925,670	10.60	315.6
Inferred	1,557,000	7.53	376.8

Note: see Mineral Resource Statement Notes below

The procedures used for the resource and reserve estimation processes are consistent with the Canadian Institute of Mining and Metallurgy ('CIMM') best practices and NI 43-101 guidelines. Generally, figures are rounded to reflect the accuracy of the estimate; numbers may not total due to this rounding.

PRE - FEASIBILITY ('PFS') SUMMARY

The PFS is based on the measured and indicated mineral resources only within the Hammerdown deposit. The Orion deposit, located approximately 1.5 km from Hammerdown gold mine, was not considered a part of this study and remains an opportunity for the project.

Ore mined at Hammerdown will be trucked and processed, at approximately 400 mtpd, at the Nugget Pond mill through a toll milling arrangement with Rambler Metals and Mining Canada Limited with whom Maritime has a strategic alliance.

Ore will be mined by way of a combination of both Long Hole and Mechanized Cut and Fill, utilizing the original access portal and a small portion of the existing underground workings.

Mine life in the PFS is approximately 5 years producing an average of approximately 35,000 ounces of gold per year with an all in pre-tax cost of approximately $955 per ounce.

Additional opportunities exist to improve the low risk, low capital base case scenario, including:

- Additional resource growth through the exploration and development of the Inferred Resource at Hammerdown that sits within the existing mine plan and contains up to 377,000 oz. gold;
- The potential of open pit production from Orion, not included is this study, during the first few years of operations;
- Further studies on both mining method, to minimize dilution, as well as underground development. This work will be initiated once the portal has been reopened and refurbishing of the underground workings have begun.
- Integration of ore pre-concentration at the mine site. This could potentially allow for further optimization of mine production by reducing the amount of waste and improving the grade being delivered to the mill;
- A detailed review will be completed of all surface infrastructure including, utilities, building and electrical etc. to determine the optimal use of and requirements for this equipment;
- All mine and surface mobile equipment is purchased upfront as new. There may be opportunities to source some equipment in the used market or possible arrange equipment financing terms with a supplier. A review of both size and quantity of mobile equipment will be completed for optimization and potential reduction in up front capital.

A National Instrument 43-101 ("NI 43-101") technical report will be filed on SEDAR at www.sedar.com within 45 days, before the end of April 2017.

ECONOMIC SUMMARY

Table 3 *Project Economics*

ITEM	VALUE	
Production Life	5	Years
Recovered Gold	174,000	oz
Revenue	270	$ M
Total Operating Cost Estimate	97.1	$ M
Total Capital Cost Estimate (Over LOM)	67.8	$ M
Before-Tax Cash Flow	104	$ M
After-Tax Cash Flow	69	$ M
Before-Tax Net Present Value (8% discount)	71.2	$ M
After-Tax Net Present Value (8% discount)	44.2	$ M
Internal Rate of Return, Before-Tax	46	%
Internal Rate of Return, After-Tax	34.8	%
Before-Tax Payback Period, from start of production	1.7	Years
After-Tax Payback Period, from start of production	1.9	Years

***Table 4** Summary Project Parameters and Economics*

ITEM	VALUE	
Gold Price	1250	US$/oz
Exchange Rate	0.8	US$: 1 CA$
Mill Feed	700,500	Tonnes
Head Grade	7.96	g/t
Gold Production	174,000	oz
LOM Capital Estimate		
Mine Development Capital	16.8	$ M
Mine Development Sustaining Capital	5.5	$ M
Mine Equipment Capital	7.2	$ M
Mine Equipment Sustaining Capital	7.1	$ M
Water Management	0.7	$ M
Infrastructure	8.6	$ M
Power, Electricity	3.9	$ M
Reclamation, Closure, Post-Monitoring	1.0	$ M
Royalty Buy Back	1.0	$ M
Indirect Costs	7.3	$ M
Contingency	8.7	$ M
Total	**67.8**	**$ M**
LOM Operating Cost Estimate		
Mining	52.3	$ M
Crushing, Loading, Transport	14.6	$ M
Processing	23.0	$ M
General & Administrative	7.1	$ M
Total	**97.1**	**$ M**
Operating Cost Per Ton	139	$/t
Operating Cost Per Oz/Au	558	$/oz
Refining, Transportation Charges	1.0	$ M
Royalties	2.7	$ M
Other Costs		
Reclamation Bond & Associated Cost	0.2	$ M
Salvage Value	(2.7)	$ M
Taxes	35.0	$ M
Other Parameters		
Mining Dilution (Stopes, Drifts)	60	%
Mining Recovery (Stopes, Drifts)	100	%
Mill Recoveries (Au)	97	%

The table below summarises the sensitivities associated with metal pricing, project operating expenditures ('OPEX') and capital expenditures ('CAPEX').

Table 5 *Summary of Sensitivities*

VARIABLE	-20%	-10%	0%	+10%	+20%
Gold Price	28.4 $M	49.8 $M	71.2 $M	92.6 $M	114.0 $M
Operating Cost	86.6 $M	78.9 $M	71.2$M	63.5 $M	55.7 $M
Capital Cost	84.4 $M	77.8 $M	71.2 $M	64.6 $M	58.0 $M
Note: Before-Tax NPV at 8%					

MINERAL RESERVE AND MINERAL RESOURCE STATEMENTS

MINERAL RESERVE NOTES

The Mineral Reserves Estimate was prepared by WSP Canada Inc. (WSP). The mineral reserve estimate identifies the economically mineable mineral contained within stope shapes that have a final diluted grade of 3.0 g/t or higher. Above cut-off grade resource material less than 3 metres from historically mined workings was determined non-mineable due to safety concerns. This non-mineable material has been excluded from the reserves.

MINERAL RESOURCE NOTES

The Resource Estimate was prepared by WSP Canada Inc (WSP). The mineral resource estimate is based on the combination of geological modeling, geostatistics and conventional block modeling using the Ordinary Krig method of grade interpolation. The mineral resources were estimated using a block model with parent blocks of 5m X 5m X 5 m split three times into sub-blocks. The geological model including mineralized intercepts was generated by Maritime personnel and then audited by WSP. The QAQC protocols and corresponding sample preparation and shipment procedures have been reviewed by WSP.

***Table 7** Mineral Resource Estimate for the Green Bay Property including: Hammerdown/Rumbullion/Muddy Shag Gold Deposits and Orion Gold Deposit*

Category	Deposit	Vein	Tonnes (t)	Gold (g/t)	Ounces ('000 oz)
Measured	Hammerdown/Rumbullion/Muddy Shag	**All**	372,170	12.09	144.7
	Measured Total		**372,170**	**12.09**	**144.7**
Indicated	Hammerdown/Rumbullion/Muddy Shag	**All**	553,500	9.60	170.9
	Orion	Main	206,600	4.18	27.8
		DISV	889,900	4.53	129.6
		EMS	-	-	-
		ALL Orion total	**1,096,500**	**4.47**	**157.6**
	Indicated Total	**-**	**1,650,000**	**6.19**	**328.5**
Measured and Indicated Total		**ALL**	**2,022,170**	**7.28**	**473.2**

Inferred	Hammerdown/Rumbullion/Muddy Shag	All	1,557,000	7.53	376.8
	Orion	Main	387,000	6.91	86.0
		DISV	737,000	4.67	110.7
		EMS	164,000	5.39	28.4
		ALL Orion	**1,288,000**	**5.44**	**225.1**
	Inferred Total	**ALL**	**2,845,000**	**6.58**	**601.9**

February 27, 2017: Whisker Property

On February 27, 2017, the Company entered into an agreement to acquire a 100% interest in the Whisker Valley ("Whisker") property in Newfoundland, Canada, under the following terms:

	Cash payments ($)	Shares in the capital of the Company (#)	Minimum exploration expenditures on the Property ($)
Upon approval (1)	25,000 (paid)	100,000 (2)	Nil
March 22, 2018	20,000	150,000	100,000
March 22, 2019	30,000	200,000	250,000
March 22, 2020	50,000	250,000	300,000
March 22, 2021	75,000	300,000	500,000
March 22, 2022	100,000	500,000	500,000
	300,000	**1,500,000**	**1,650,000**

(1) Received March 22, 2017

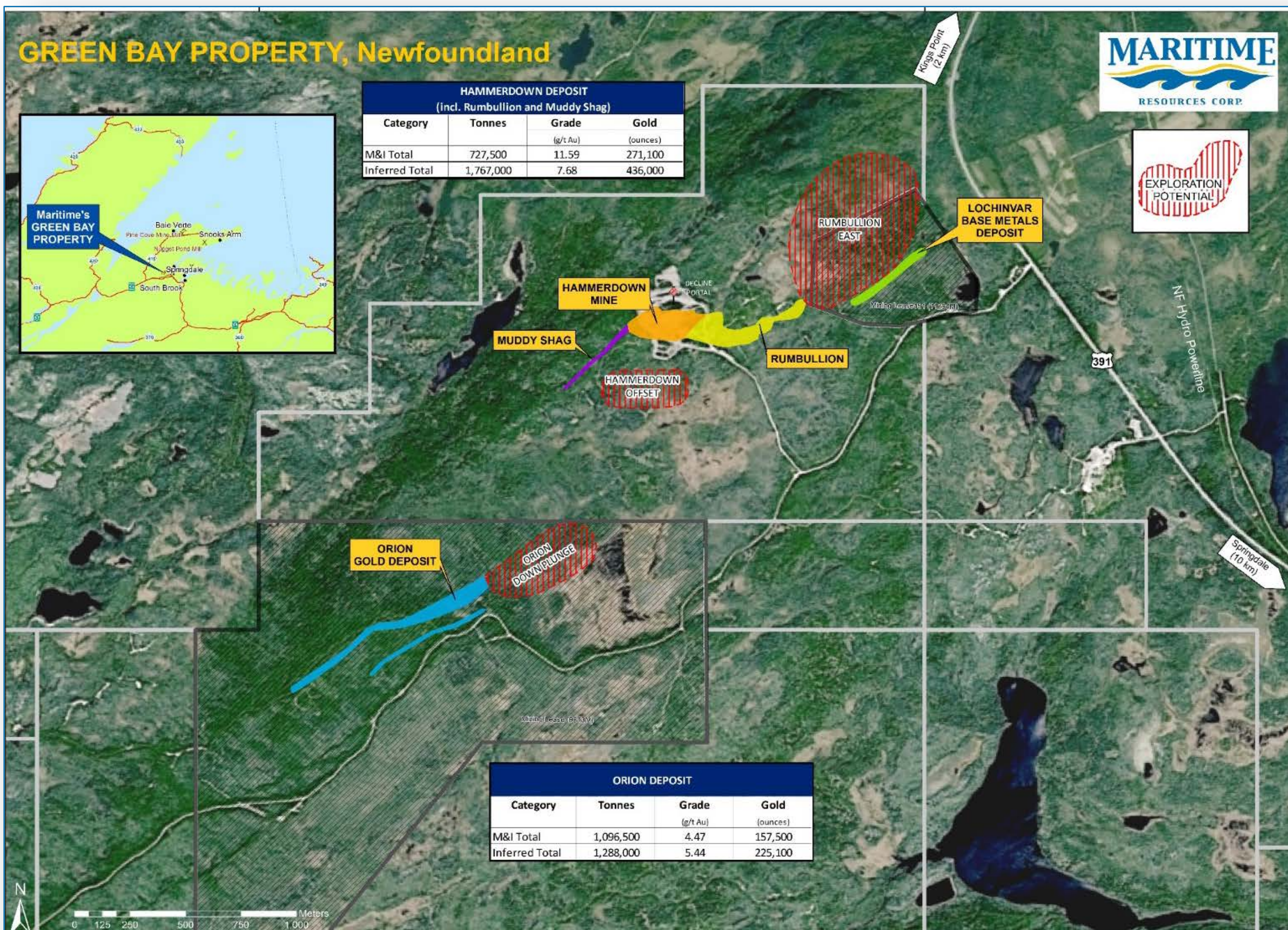
(2) Issued March 23, 2017

The property is subject to a 2.5 % NSR, of which 1% can be purchased for $1,000,000 on or before the end of

Green Bay Project – Exploration Update

Maritime's Green Bay property in central Newfoundland and Labrador hosts the Company's gold and base metal deposits. The recently closed (2004) Hammerdown Mine includes the adjacent Rumbullion and Muddy Shag Gold deposits. The Orion Gold deposit is situated 1.5 kilometres to the Southwest and the Lochinvar base-precious metal deposit is located 1 kilometre East of Hammerdown. Maritime has been reviewing the setting of the gold deposits in the Hammerdown area and has commenced an exploration program to expand the gold trend adjacent to the known gold zones and to test the easily accessible inferred mineralization on the property.

An update on diamond drilling, portal reopening and Environetal permitting progress will be provided over the coming months as the 2017 field season progresses.



Qualified Person

Mr. Bernard Kahlert, P.Eng. is the qualified person under National Instrument 43-101, responsible for the technical information presented in this MD&A and the supervision of work done in association with the exploration and development programs in respect of the Company's exploration properties.

Subsequent Events

On April 25, 2017, the Company entered into a loan arrangement ("Bridge Financing Agreement") pursuant to which it received $500,000. The Bridge Financing Agreement, which was approved by the TSX-V on April 26, 2017, provides for a maturity date of one year (the "Maturity Date"), interest of 8% per annum, payment of principal and interest upon the earliest of: the Maturity Date, the Company raising $2,000,000 or more in equity or debt financing, or committing an event of default (including, but not limited to, the Company ceasing to have its shares listed on the TSX-V, the Company failing to maintain its status as a reporting issuer in good standing in BC, the Company ceasing to keep the agreement in good standing, and the Company becoming insolvent). In connection with the Bridge Financing Agreement, the lender received a bonus of 333,333 shares in the capital of the Company and non-transferable warrants allowing for the purchase of up to, in the aggregate, 1,666,666 additional common shares in the capital of the Company at $0.15 per share until April 26, 2018.

On April 26, 2017, stock options allowing for the purchase of up to, in the aggregate, 200,000 shares in the capital of the Company at $0.15 per share until April 26, 2022 were granted.

On April 26, 2017, the Company received $129,705 pursuant to an application made with the Newfoundland and Labrador government in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program ("JEAP") grant for exploration conducted during 2016.

Summary of Quarterly Results

The selected information set out below has been gathered from the previous eight quarterly financial statements for each respective financial period and is based on IFRS and Canadian GAAP.

	31-Mar 2017 ($)	31-Dec 2016 ($)	30-Sep 2016 ($)	30-Jun 2016 ($)	31-Mar 2016 ($)	31-Dec 2015 ($)	30-Sep 2015 ($)	30-Jun 2015 ($)
Exploration and evaluation assets	6,004,297	5,826,365	5,303,921	5,064,295	4,991,773	4,924,533	4,893,179	4,878,826
Financing expense	2,466	(5,872)	13,934	8,392	8,850	19,133	16,174	15,999
G&A (incl. share based compensation)	348,437	69,857	918,553	274,763	124,977	306,808	146,410	88,687
Share-based payments	2,895	(164,941)	438,438	1,264	1,212	158,761	-	130
Adjusted G&A (net of share based payments)	345,542	(95,084)	480,115	273,499	123,765	148,047	146,410	88,557
Other comprehensive income	-	(25,000)	25,000	-	-	-	-	-
Interest income	1,398	516	-	-	-	-	-	-
Expenses recoverable	(572)	-	-	-	-	-	-	-
Loss and comprehensive loss	(347,611)	(94,341)	(893,553)	(274,763)	(124,977)	(306,808)	(146,410)	(88,687)
Loss per share - basic and diluted	(0.01)	(0.03)	(0.02)	(0.01)	(0.00)	(0.02)	(0.00)	(0.00)

Non-IFRS Financial Measures

Due to the adoption of the accounting standard for share-based payments, the Company's general and administrative quarterly expenses have fluctuated significantly. The granting and vesting of stock options is at the discretion of the Board of Directors and the resulting expenses do not reflect the normal operations of the Company. The Company has included "adjusted general and administrative expenses" without the share-based payments to be more reflective of normal operations. This financial measurement does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other corporations or entities.

Discussion of Operations

Quarter ended March 31, 2017 ("Quarter") results as compared with the quarter ended March 31, 2016 ("Quarter2016")

The Company incurred total general and administrative expenses of $388,606 during the Quarter (Quarter2016: $124,977). Included in general and administrative expenses are share-based payments, a non-cash item resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the options and expected volatility. The Company had no revenue for the three months ended March 31, 2017 and 2016.

The following are the major variances for the three months ended March 31, 2017 and 2016:

- Administrative expenses increased to $88,227 (Quarter 2016: $31,869) due to the overall activity and attendant support costs, including retention of the COO, increased rent, and travel.
- Consulting expenses were $103,000 (Quarter 2016: $38,400). The increase is the result of the appointment of the COO, a new rate for the services of the current CEO and the consulting fees of one of the directors, both of whom were previously eligible to receive director fees.
- In respect of Directors' fees, the Company agreed to provide, effective April 1, 2015, for directors' fees, as to $1,500 per month for each of the 5 non-executive directors. On April 1, 2016, one of the non-executive directors entered into a consulting agreement with the Company, and on June 1, 2016, a second non-executive director entered into an employment agreement with the Company, for provision of their respective services. At March 31, 2017, Directors' fees totalling $129,000 remained unpaid.
- Financing expense and interest on loans payable were $2,466 (Quarter 2016: $8,851).
- Investor relations increased to $129,887 (Quarter 2016: $27,263) in respect of expenses pertaining to conferences, general increased communication with shareholders and interested parties.
- Share-based payments of $2,895 for the period (Quarter 2016: $1,212) were recognized in respect of the vesting of stock option in connection with investor relations services.

During the 1st quarter of 2017 expenses escalated in comparison to the previous quarters mainly due to the addition of personal as assist with the completion of the PFS and planning for the 2017 field program. These expenses were essential for the ongoing development of the Hammerdown project. During the coming quarters it is management's intention to continue with the further development on our Hammerdown deposit.

Activities planned include reopening the portal to the existing underground workings. This will allow further access to assess the historic underground development for ground control and dewatering procedures.

Permitting is also a major focus for the Company. The EA review process was initiated in 2016 with Stantec Engineering. The Company is reviewing its scheduled to determine the optimal time to official start the EA process.

Finally we are making plans for a surface drill program both on the Rumbullion extension as well as a smaller detail program to focus on a portion of the inferred resource. There is a significant amount of inferred mineralization not included in the PFS that sits with in the current mine plan at Hammerdown. Drilling testing these areas could potentially add some easily accessible ounces to project's early years.

These plans moving forward will continue to enhance as well as derisk the Hammerdown project towards a production decision.

Liquidity and Capital Resources

The financial statements are prepared on a 'going concern' basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to raise additional funds or the attainment of profitable operations. The Company will need to raise or borrow money for exploration and administration expenditures, and to settle current liabilities, and to ensure it maintains sufficient funds to keep its claims and property agreements in good standing. Current sources of funding are undetermined and management continues to review potential financings options. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be successful or able to continue to do so in the future.

At March 31, 2017, the Company had:

- An accumulated (life to date) deficit of $4,010,260 (December 31, 2016: $3,662,649).
- Working capital deficit of $363,596 (December 31, 2016: working capital of $145,051).
- Cash of $22,360 (December 31, 2016: $580,510).
- Accounts payable and accrued liabilities, including interest payable of $324,598 (December 31, 2016: $408,143), which are due in the short term.
- Principal on loans of $100,000 (December 31, 2016: $100,000).

Related Party Transactions

Services

Effective July 1, 2014 the Company entered into arrangement with an administration and exploration services contractor ("AESC") in which a director is a shareholder, pursuant to which it receives office, administrative and exploration services. For the three months ended March 31, 2017 and 2016, the Company was charged for exploration costs and to reimburse office and administrative costs as follows:

	For the Three Months Ended March 31	
	2017	**2016**
Rent	$32,361	$10,179
Office Administration	8,492	1,621
	$40,853	$11,800

At March 31, 2017 the Company owed $13,768 (2016: $358) to AESC.

Loans

At March 31, 2017, in respect of a loan (principal of $100,000 bearing interest of 8% per annum), , the Company had accrued interest of $22,904 (December 31, 2016: $20,438) owing to the lender.

	Principal ($)		Value of bonus shares ($)	Amortized values of bonus shares ($)	Principle (net of unamortized value of bonus shares) ($)	Accrued interest ($)	Total ($)
2014 Notes	100,000	(1)	(13,333)	13,333	**100,000**	22,904	122,904

(1) $100,000 provided by a party related to the company by virtue of common directorship

Compensation of Key Management Personnel

Key management personnel consists of Douglas Fulcher (CEO, President and a Director of the Company), Jeannine Webb (CFO), Bernard Kahlert (VP, Exploration), Janice Davies (Corporate Secretary until October 31, 2016), Jacqueline Collins (Corporate Secretary effective November 1, 2016), Andrew Pooler (COO effective June 1, 2016), Allan Williams (Consultant) and the non-executive Directors of the Company (Maynard Brown, David McCue and Peter Mercer).

Consulting	Digga Holdings, a company owned by Douglas Fulcher, Chief Executive Officer, CEO and President, and a Director
	Neon Rainbow Holdings Ltd., a company owned by Allan Williams, Director
	J Collins Consulting, a company owned by Jacqueline Collins, Corporate Secretary
	JD Consulting Ltd., a company owned by Janice Davies, Corporate Secretary
	Venturex Consulting, a company owned by Jeannine Webb, Chief Financial Officer CFO
	Pamicon Developments, a company in which Douglas Fulcher, CEO and President, and a Director, is a shareholder.
	Andrew Pooler, Director and Chief Operating Officer, COO
Geological consulting	B.H. Kahlert & Associates Ltd., is a company owned by Bernard Kahlert, VP of Exploration

The remuneration, including stock-based compensation, of key management personnel during the three months ended March 31, 2017 and 2016 were as follows:

	For the Three Months Ended March 31	
	2017	**2016**
Administration	$87,000	$38,400
Directors' fees	13,500	67,500
Exploration & evaluation	71,100	16,800
	$171,600	$122,700

At March 31, 2017, in respect of services provided to and expenses incurred on behalf of the Company during the period ended March 31, 2017, the Company owed $15,750 (2016: $Nil) to the CEO and a director of the Company, $11,760 (2016: $320) to an officer and former director of the Company, $5,250 (2016: $Nil) to the CFO of the Company, and $12,400 (2016: $1,059) to an officer and director of the Company.

At March 31, 2017, directors' fees, totaling $129,000 (2016: $88,500), remained accrued.

Proposed Transactions

There are no proposed transactions to be reported.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Risks and Uncertainties Related to the Company's Business

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage could be substantial. The following sets out the principal risks faced by the Company.

Exploration

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity Price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in Canada. These minerals have recently been the subject of significant price fluctuations, and as such, there can be no assurance that that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

Financing

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies, like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key Personnel

The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition

Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Realization of Assets

Exploration and evaluation assets comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities could experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations

The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Legal Proceedings

As at the date of the Report, there were no legal proceedings against or by the Company.

Critical Accounting Estimates

In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has used its best judgment to estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties. The Company also uses the Black-Scholes Option Pricing Model in relation to share based payments. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period.

Other MD&A Disclosure Requirements

New Accounting Policies, Standards, Amendments and Interpretations Affecting Future Year-Ends

The Company has adopted the following new standard, along with any consequential amendments, prior to or effective January 1, 2017. These changes were made in accordance with the applicable transitional provisions, and did not impact the Company's condensed interim financial statements.

- IAS 7, "Statement of Cash Flows" (amended standard): is effective for annual periods beginning on or after January 1, 2017,
- IAS 12, "Income Taxes" (amended standard): is effective for annual periods beginning on or after January 1, 2017.

Accounting Standards Issued but not yet in effect

- IFRS 2, "Share-based payment" (amended standard) is effective for annual periods beginning on or after January 1, 2018.
- IFRS 9, "Financial Instruments: Classification and Measurement": is effective for annual periods beginning on or after January 1, 2018.
- IFRS 15, "Revenue from Contracts and Customers": the effective date of adoption has been deferred to January 1, 2018 (with earlier application permitted).
- IFRS 16, "Leases": is effective for annual periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact of these new and amended standards on its financial statements. The impact is not expected to have a material impact on the statements of financial position or results of operations of the Company.

Financial Instruments & Other Instruments

The Company has classified its cash as fair value through profit or loss (using level 1 of the fair value hierarchy); receivables (excluding tax arrangements) as loans and receivables; and accounts payable and accrued liabilities and loans as other financial liabilities.

(a) Fair value

The carrying values of cash, receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash, restricted cash and receivables, other than Goods and Services Tax ("GST") and government funding which may be receivable. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

There were no changes in the Company's approach to risk during the period ended March 31, 2017.

Outstanding Share Data as at the Report Date

	Exercise Price ($)	Expiry Date	Shares issuable (#)	
Common shares - issued and outstanding (including 1,500,000 shares held for sale pursuant to the Option and Share Purchase Agreement, as that agreement is described in the Financial Statements)				**59,371,128**
Warrants				
	0.20	12-Feb-19	650,000	
	0.20	12-Feb-19	97,500	
	0.20	22-Apr-19	2,635,000	
	0.20	22-Apr-19	382,875	
	0.20	20-Jul-19	8,249,998	
	0.20	20-Jul-19	1,190,700	
	0.20	26-Apr-18	1,666,666	
				14,872,739
Options				
	0.200	21-Jan-18	500,000	
	0.280	29-May-19	420,000	
	0.150	15-Oct-19	200,000	
	0.150	13-Nov-20	1,785,000	
	0.250	29-Jul-21	2,400,000	
	0.150	26-Apr-22	200,000	
				5,505,000
				79,748,867