MARITIME RESOURCES CORP.

Management's Discussion & Analysis

For the Year Ended
December 31, 2016
(the "Period")

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Cautionary Notices

The Company's financial statements for the year ended December 31, 2016, 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 forecast 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 April 21, 2017 (the "Report Date"), and provides comparative analysis of the Company's financial results for the year ended December 31, 2016. The following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2016 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*.

President's Report

2016 was a significant year for Maritime despite continued volatility and prolonged soft market conditions. During the year the Company raised total net proceeds of $2.9 million through various financings, as it continued to focus its attention on its 100% owned Green Bay project including the Hammerdown, Rumbullion and Orion gold deposits. The Company's objective was to determine the economic viability of a new gold mine on the Green Bay Property. Mid-year the Company enlisted the services of WSP Canada Inc. ("WSP"), in conjunction with a strategic alliance with Rambler Metals and Mining Canada Limited ("Rambler"), to complete a pre-feasibilty study ("PFS") on the economic potential of reopening the past producing Hammerdown gold mine.

The PFS was completed in March 2017, returning an IRR of 46.8% and an NPV (8%) of $71.5 million, at a capacity of approximately 400 metric tons per day ('mtpd') over a five-year life of mine. In addition to Rambler's assistance, who owns the milling facility where Hammerdown ore was processed in the past, the Company retained the services of Mr. Andrew Pooler as the Company's Chief Operating Officer ("COO"), to oversee the PFS and permitting required to support the reactivation of the Hammerdown mine. Stantec Consulting Ltd. ("Stantec") was contracted to guide the Company through the permitting process while WSP engineered the estimate for development and eventual operations at Hammerdown.

Completing these projects was a significant milestone for the Company. During 2017 we will continue our efforts to permitting at the Green Bay project, while reviewing options to further advance and potentially fund the reopening of Hammerdown. Rambler's presence and operational expertise in Newfoundland continue to provide strong support to Maritime as the Hammerdown project advances.

Maritime also recently concluded an option agreement to earn a 100% interest in the Whisker property, located only 10 km from Hammerdown. New discoveries of significance at the Whisker property could allow for further expansion of a potentially new Newfoundland based gold operator and developer.

On behalf of the members of the Board of your Company, we take this opportunity to thank the shareholders for their continued support, and we look forward to providing updates on a regular basis as the Green Bay Project continues to progress.

Doug Fulcher
President and CEO

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Director and Chairman

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Bernard H. Kahlert, P.Eng.
V-P, Exploration

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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, as well as 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.

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 prior to year end.

A surface drill program is also being planned to target the Rumbullion gold vein extension to the north-east. In addition drill testing a portion of the inferred resource that exists within the PFS mine plan area is planned.

These are just some of the activities that are ongoing and to be executed over the coming months. The Company's management and engineering team will continue its focus on the opportunities that are outlined in the PFS with a goal to further enhance the project with CAPEX and scheduling reductions.

On completion of the planned programs the Company intends to aggressively seek potential funding partners to bring Hammerdown to production.

Highlights for the year ended December 31, 2016

During the year: Securities issued
During the year ended December 31, 2016, the Company issued securities for cash totalling $3.4 million, the details of which follow:

	Offering #1	Offering #2	Offering #3	Total
Closing Date	February 12, 2016	April 22, 2016	July 20, 2016	
Offerings:				
Gross Proceeds Received	$182,000	$737,800	$2,310,000	$3,229,800
Equity Unit Price	$0.14	$0.14	$0.14	
Shares Issued	1,300,000	5,270,000	16,500,000	23,070,000
Warrants Issued	650,000	2,635,000	8,249,998	11,534,998
Warrant Exercise Price	$0.20	$0.20	$0.20	
Warrant Expiry Date	February 12, 2019	April 22, 2019	July 20, 2019	
Royalty Units:				
Gross Proceeds Received	$ 13,000	$ 52,700	$ 145,000	$ 210,700
Royalty Unit Price	$0.01	$0.01	$0.01	
Royalty Units Issued	1,300,000	5,270,000	14,500,000	21,070,000
Finders' Fees				
Cash	$16,350	$58,481	$247,916	$322,747
Finders' Warrants	97,500	382,875	1,190,700	1,671,075
Exercise Price	$0.20	$0.20	$0.20	
Expiry Date	February 12, 2019	April 22, 2019	July 20, 2019	

April 7, 2016: Option and Share Purchase Agreement with Commander

On February 12, 2015, as amended April 6, 2016, Commander Resources Ltd. ("Commander") and Maritime entered into an option and shares purchase agreement (the "Option and Share Purchase Agreement") pursuant to which Maritime, or its nominees (the "Maritime Group"), has the option to purchase, in stages, a total of 10,000,000 of the 11,440,000 common shares of Maritime owned by Commander; should Maritime elect to acquire any of the shares, that acquisition will be subject to regulatory approval. Maritime and Commander also entered into a voting trust agreement (the "Voting Trust Agreement"), whereby Commander will vote its remaining shares with management of the Company for the duration of the Option and Share Purchase Agreement. Any shares not purchased pursuant to the terms of the Option and Share Purchase Agreement, as amended, will automatically be released from the provisions of the Voting Trust Agreement.

Pursuant to the amended Option and Share Purchase Agreement, Maritime will identify third parties to purchase shares as follows:

- Tranche 1: 2,000,000 shares at a price of $0.18 per share on or before February 28, 2015 (completed).
- Tranche 2: 2,000,000 shares at a price of $0.14 per share; 1,000,000 on or before April 30, 2016 (completed) and 1,000,000 on or before August 31, 2016 (completed by the Company included in treasury shares).

- Tranche 3: Up to 2,000,000 shares @ $0.21 per share on or before August 31, 2016 (500,000 purchased by the Company – included in treasury shares [(2)]).
- Tranche 4: Up to 2,000,000 shares, plus any carry forward shares [(2)], at a price of $0.25 per share [(1)] between August 31, 2016 and February 28, 2017. Tranche has not yet been completed and therefore 3,500,000 shares (2,000,000 Tranche 4 shares and 1,500,000 Tranche 3 carry forward shares) are no longer subject to the Option and Share Purchase Agreement.[(3)]
- Tranche 5: Up to 2,000,000 at a price of $0.30 [(1)] between February 28, 2017 and August 31, 2017.[(3)]

(1) Prices are subject to price fluctuation, being the greater of the option price and 85% of the volume weighted average price of the common shares for the 10 trading days prior to the applicable option exercise date.

(2) Any shares not purchased in a particular tranche are carried forward to the next tranche, under the terms of the new tranche, subject to a minimum of 500,000 shares were repurchased in original tranche. Carry forward can only occur once per option.

(3) The Company is in negotiation with Commander to extend the terms of the Option and Share Purchase Agreement.

On August 31, 2016, the Company completed the purchase of a total of 1,500,000 shares at a total cost of $245,000 (1,000,000 shares at $0.14 per share; 500,000 shares at $0.21per share).

May 16, 2016: Maritime Engages WSP Canada Inc. to Complete Prefeasibility Study

On May 16, 2016, the Company announced that a Prefeasibility Study ("PFS") has been initiated on the Company's Hammerdown, Rumbullion and Orion gold deposits that forms the basis of the Green Bay Property resource portfolio located in Newfoundland and Labrador, Canada. The PFS will be conducted on the NI 43-101 mineral resource estimate completed in May 2013 that contained a mineral resource estimate in excess of 425,000 ounces of gold in the Measured and Indicated categories and in excess of 660,000 ounces in the Inferred category, both at a 3 g/t cut-off grade. The estimate was compiled by Tetra Tech of Ontario.The resource is shown in various cut off grades in the table. Maritime has engaged independent third party engineering firm WSP Canada Inc. ("WSP") to complete the PFS and evaluate the mining potential of the past producing Hammerdown deposit". Subsequently, it was decided to defer the Orion resources for further consideration.

Aug 17, 2016: Maritime Engages Stantec to Begin Permitting on the Hammerdown Project

The Company engaged independent Stantec Consulting Ltd. ("Stantec") to initiate the permitting process on Hammerdown, Rumbullion and Orion gold deposits located on the Company's Green Bay Property. As the Hammerdown mine recently closed in 2004, this is considered as a Brownfield status project with minimal environmental impact.

Aug 10, 2016: Maritime Announces the Appointment of Andrew Pooler as Chief Operating Officer

Mr. Andrew Pooler holds a Bachelor of Science degree in Mining Engineering from the University of Idaho and has more than 30 years of experience as a mining engineer and operations executive. His most recent role was Chief Operating Officer of Esperanza Resources Corp. Mr. Pooler spent five years with Abacus Mining and Exploration Corp. as the Chief Operating Officer, where he had a key role in the advancement and sale of the Ajax copper project. He also spent five years as Senior Vice President, Mine Operations, for Pan American Silver Corporation with six operating mines and six years as Vice President of Operations for AMAX Gold Inc. with seven operating mines.

May 09, 2016: Maritime and Rambler Sign Engineering and Evaluation Agreement to Determine the Viability of Restarting the Past Producing Hammerdown Mine

Pursuant to the Letter of Intent ("LOI") entered into with Rambler Metals and Mining Canada Limited on November 17, 2014, the Company is working with Rambler Canada Limited ("Rambler")to conduct prefeasibility engineering and evaluation ('PFS') on the Hammerdown project. On May 9, 2016 the Company announced that it had entered into an Engineering, Evaluation and Services Agreement ("Agreement") with Rambler to evaluate the economic potential of re-opening the past producing Hammerdown gold mine.

Green Bay Project – 2016 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, as noted below. Detailed lines were cut and a High frequency EM completed to the east of the Rumbullion Deposit. A Large Loop, high powered EM survey was completed over the property between Hammerdown and Orion deposits to search for the deep Hammerdown offset mineralization and the extension of the Orion gold deposits.

During the first half of 2016, several initiatives were commenced at Green Bay. To allow site studies, a new mining lease is required. A legal surveyor was contracted to survey the proposed site and an application was then filed with the Provincial Department of Natural Resources. Consulting company, Stantec, was contracted to undertake water and air quality measurements and complete fish and wildlife studies to allow application for environmental permits for mine planning. Permitting to reopen the Hammerdown portal for bulk sampling and related underground work was also initiated.

New annual work permits were applied for and granted. A 2016 Junior Exploration Assistance ("JEA") grant for exploration support was also applied for and granted. It is possible for the Company to recover up to $150,000 in 2016 exploration expenditures, if over $300,000 is expended. A new exploration program to cover assessment requirements of close to $100,000 was also completed in late summer of 2016.

Expenditures incurred on the Green Bay property during the year ended December 31, 2016follow:

		December 31, 2016
Balance at the beginning of the year	$	4,924,533
Exploration costs:		
Drilling		4,875
Geology and report writing		562,135
Geochemistry		69,788
Property		95,124
Geophysics		162,562
Other		7,348
		901,832
Less:		
Recoveries & Grants		-
Net additions		901,832
Balance at the end of the year	**$**	**5,826,365**

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

Aug 17, 2016: Whisker Property

On February 27, 2017, the Company entered into agreement (the "Agreement") to acquire a 100% interest in the Whisker Property (the Property"), located in Newfoundland, in consideration for the following:

	Cash payments ($)	Shares in the capital of the Company (#)	Minimum exploration expenditures on the Property ($)
Upon entering into the Agreement	25,000 (paid)	100,000 (issued)	Nil
Year 1 anniversary	20,000	150,000	100,000
Year 2 anniversary	30,000	200,000	250,000
Year 3 anniversary	50,000	250,000	300,000
Year 4 anniversary	75,000	300,000	500,000
Year 5 anniversary	100,000	500,000	500,000

The Agreement is subject to a 2.5% NSR, of which the Company can purchase 1% for $1,000,000 until the second anniversary of production. The Agreement received regulatory approval on March 22, 2017.

March 2, 2017: PFS received

In March, 2017, the PFS aimed to reopen Hammerdown was received. The study was completed by WSP Canada Inc. ("WSP"), with the mandate to evaluate the potential of bringing the past producing gold mine back into commercial production, and evaluated on the measured & indicated NI43-101 mineral resource estimate for the past producing Hammerdown. The PFS was successful in demonstrating a viable mining operation with low upfront capital and short time line to the start of gold production. The PFS shows an IRR of 46.8% and an NPV (8%) of $71.5 million, at a capacity of approximately 400 metric tons per day ('mtpd') over a five-year mine life. 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. (See the Company's news release of March 2, 2017 with notice of SEDAR report filing on April 13, 2017).

Selected Annual Information

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total revenues	$Nil	$Nil	$Nil
Financing expense	$25,304	$67,130	$11,665
Loss before deferred tax recovery	$1,387,634	$677,075	$568,909
Deferred tax recovery - flow-through	$ -	$ -	$(14,350)
Loss and comprehensive loss for the year	$1,387,634	$677,075	$54,559
Basic and diluted loss per share	$(0.029)	$(0.019)	$(0.016)
Total assets	$6,479,559	4,933,690	$4,973,524
Total long-term liabilities	$ -	-	-
Cash dividends per share	$ Nil	$Nil	$Nil

Summary of Quarterly Results and Discussion of Operations

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-Dec 2016 ($)	30-Sep 2016 ($)	30-Jun 2016 ($)	31-Mar 2016 ($)	31-Dec 2015 ($)	30-Sep 2015 ($)	30-Jun 2015 ($)	31-Mar 2015 ($)
Exploration and evaluation assets	5,826,365	5,303,921	5,064,295	4,991,773	4,924,533	4,893,179	4,878,826	4,860,054
Financing expense	(5,872)	13,934	8,392	8,850	19,133	16,174	15,999	15,824
G&A (incl. share based compensation)	69,857	918,553	274,763	124,977	306,808	146,410	88,687	135,170
Share-based payments	(164,941)	438,438	1,264	1,212	158,761	-	130	27,032
Adjusted G&A (net of share based payments)	(95,084)	480,115	273,499	123,765	148,047	146,410	88,557	107,138
Other comprehensive income	(25,000)	25,000	-	-	-	-	-	-
Interest income	516	-	-	-	-	-	-	-
Loss and comprehensive loss	(94,341)	(893,553)	(274,763)	(124,977)	(306,808)	(146,410)	(88,687)	(135,170)
Loss per share								
-basic and diluted	(0.03)	(0.02)	(0.01)	(0.00)	(0.02)	(0.00)	(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

Fourth quarter ended December 31, 2016("Q4 2016") as compared with the fourth quarter ended December 31, 2015 ("Q4 2015')

The Company incurred total general and administrative expenses of $69,857 during the Q4 2016 (Q4 2015: $306,808). 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

Year ended December 31, 2016as compared with the year ended December 31, 2015

The Company had no revenue for the years ended December 31, 2016 and 2015. General and administrative expenses increased to $1,388,150 (2015: $680,940) of which $275,973 (2015: $185,923) pertained to non-cash share-based payments. The following are the major variances:

- Administrative expenses increased to $328,558 (2015: $78,236) due to the overall activity and attendant support costs, including retention of the COO, increased rent, and travel
- Consulting expenses were $313,946 for the year (2015:$138,600). The increase is the result of a new rate for the services of the current CEO and the consulting fees of one of the directors, both of whom previously received director fees, as well as the appointment of the COO.
- In respect of Directors' fees, effective April 1, 2015, the Company agreed to provide for directors' fees, as to $1,500 per month for each of the 5 non-executive directors, effective April 1, 2015. 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 December 31, 2016, the directors' fees totalling $115,500 remained unpaid.
- Financing expense and interest on loans payable of $25,304 for the year (2015: $67,130) relate to loans and amortization of the value of bonus shares issued to lenders.
- Investor relations increased to $331,211(2015: $79,059) in respect of expenses pertaining to the private placements and general increased communication with shareholders and interested parties.

- Share-based payments of $275,973 for the year (2015:$185,923) were recognized in respect of the vesting of stock option, in relation to the following:

	For the Year Ended			
	December 31, 2016		December 31, 2015	
Accounting	$	39,549	$	11,678
Consulting	$	227,378	$	157,729
Investor relations	$	9,046	$	16,516
	$	275,973	$	185,923

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 December 31, 2016, the Company had:

- An accumulated (life to date) deficit of $3,662,649 (December 31, 2015: $2,341,295).
- Working capital of $145,051(December 31, 2015: working capital deficit of $714,209).
- Cash of $580,510 (December 31, 2015: $2,119).
- Accounts payable and accrued liabilities, including interest payable on loan of $408,143(December 31, 2015: $368,366), which are due in the short term.
- Principal on loans of $100,000 (December 31, 2015: $355,000).

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 years ended December 31, 2016 and 2015, the Company was charged for exploration costs and to reimburse office and administrative costs as follows:

	2016		2015	
Rent	$	71,865	$	37,573
Consulting		-		7,500
Geological consulting		-		30,525
Office administration		18,413		12,790
	$	90,278	$	88,388

At December 31, 2016 the Company owed $359 (2015: $28,190) to AESC.

Loans

In respect of the 2014 Notes, the Company received total gross proceeds of $275,000, of which $100,000 was provided by a party related to the Company, and issued 166,666 common shares valued at $13,865 as bonus shares to the party. During the year ended December 31, 2016, the Company repaid principal and paid interest in respect of the loans, such that at December 31, 2016, principal of $100,000 and interest of $20,438 was owed to the remaining related party.

	Principal ($)	Value of bonus shares ($)	Amortized values of bonus shares ($)	Principal (net of unamortized value of bonus shares) ($)	Accrued interest ($)	Retired notes plus interest ($)	Total ($)
2014 Notes	275,000 (1)	(41,333)	41,333	**275,000**	50,876	(205,438)	120,438
2015 Notes #1	12,500 (2)	-	-	**12,500**	1,572	(14,072)	-
2015 Notes #2	12,500	-	-	**12,500**	1,572	(14,072)	-
2015 Notes #3	30,000			**30,000**	2,762	(32,762)	-
2015 Notes #4	25,000 (4)	-	-	**25,000**	1,315	(26,315)	-
	355,000	(41,333)	41,333	355,000	58,097	(292,659)	120,438 (3)

(1) $125,000 provided by parties related to the company
(2) $12,500 provided by parties related to the company
(3) Balance comprised of principal $100,000 and interest of $20,438 owing to parties related to the Company
(4) $25,000 provided by parties related to the company

Compensation of Key Management Personnel

Key management personnel consists of Douglas Fulcher (CEO and 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 (Chief Operating Officer 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, CEO
	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, 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
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 year ended December 31, 2016 and 2015 were as follows:

	2016	2015
Consulting	$ 313,946	$ 138,600
Contract wages	87,500	-
Directors' fees	66,000	67,500
Geological consulting	105,000	97,125
Share-based payments	183,024	155,090
	$ 755,470	$ 458,315

At December 31, 2016, the Company owed $320 (2015:$59,200) to an officer and former director of the Company, $1,059 (2015: $88,201) to a director of the Company. Effective April 1, 2015, the Company agreed to provide for directors' fees of $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. As such, at December 31, 2016, there remained 3 directors eligible to receive directors' fees, and directors' fees, totalling $115,500 remained unpaid.

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

New accounting standards not yet adopted

- IFRS 15, "Revenue from Contracts with Customers" is effective for annual periods beginning on or after January 1, 2017.
- IFRS 9, "Financial Instruments: Classification and Measurement" is effective for annual periods beginning on or after January 1, 2018.
- 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.

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 year ended December 31, 2016.

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)				**58,937,795**
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	
				13,206,073
Options				
	0.175	26-Apr-17	200,000	
	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	
				5,505,000
				77,648,868