

BITTERROOT RESOURCES LTD.
MANAGEMENT DISCUSSION & ANALYSIS

For the year ended October 31, 2016
As of February 17, 2017

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**BITTERROOT RESOURCES LTD.
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For the year ended October 31, 2016
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INTRODUCTION

Bitterroot Resources Ltd. is a mineral resource company engaged directly and indirectly through its wholly-owned subsidiaries, (collectively referred to herein as “the Company” or “Bitterroot”), in the acquisition and exploration of mineral properties. In the Upper Peninsula of Michigan, Bitterroot’s wholly-owned subsidiary Trans Superior Resources, Inc. (“Trans Superior”) owns recorded mineral title interests covering approximately 360 square miles. In September 2015, Bitterroot entered into a strategic relationship with Altius Minerals Corporation (“Altius”) whereby Altius has earned an initial 50.1% interest in Bitterroot’s wholly-owned mineral rights and has an option to earn up to an 80% interest in these mineral rights. Details of the transaction are provided in the Summary of Activities section of this MD&A. Trans Superior also leases the 40 acre, privately-owned LM property in the Upper Peninsula. In southern British Columbia, the Company owns a 100 percent interest in the North Brenda (Au/Cu/Mo) claims.

In January 2017, Bitterroot acquired options to purchase the Hackberry patented claims and the North Hackberry unpatented claims, covering several past-producing high-grade silver mines. The Company also staked 51 unpatented claims around the aforementioned claims. This acquisition marks the first implementation of its strategy to focus on precious metals exploration and development activities. Details of the transactions are provided in the Summary of Activities section of this MD&A.

Between November 1, 2015 and the date of this report, gold spot prices increased approximately 19%, copper spot prices decreased approximately 5% and the TSX Venture Exchange index increased approximately 50%. The Company is exposed to commodity price and equity market risk due to the cyclical nature of the mineral exploration business. In recent years, the Company’s management has minimized exploration costs and political risk by operating primarily in Michigan and Arizona, which are mining-friendly, road-accessible North American jurisdictions.

The following Management Discussion and Analysis (MD&A) should be read in conjunction with Bitterroot Resources Ltd.’s audited consolidated financial statements for the year ended October 31, 2016 and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”). This information and exploration results are presented in news releases and project summaries available on www.sedar.com or on the Company’s website (www.bitterrootresources.com).

All financial information in this MD&A related to 2016 and 2015 has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

FORWARD LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management’s expectations regarding the Company’s future growth, results of

operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the properties; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See “Risks and Uncertainties”) contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

SUMMARY OF ACTIVITIES

In the year ended October 31, 2016, the majority of Bitterroot Resources Ltd.’s exploration expenditures were on land acquisition and geological/geophysical consulting in Michigan. Exploration and project evaluation expenditures in the year were \$75,884, of which \$75,005 was recovered from Altius as reimbursements and management fees. As of November 1, 2016, Altius became the operator of the exploration programs and Bitterroot will no longer be incurring expenditures or receiving management fees from Altius. Loss and comprehensive loss was \$281,647. Management has entered into new acquisition opportunities in Arizona in light of the recent strength in precious metals prices and equities.

OVERALL PERFORMANCE

Results of Operations

Michigan Lands, Michigan

In September 2015, the Company and its wholly-owned subsidiaries entered into an agreement with Altius Minerals Corporation (ALS, TSX) (“Altius”) whereby the parties closed a strategic transaction (the “Transaction”) under which Altius has the option to finance future mineral exploration on the Company’s Voyageur Lands and Copper Range Lands in the Upper Peninsula of Michigan (the “Properties”). As part of the Transaction, Altius has acquired a 50.1% interest in the Properties by funding \$600,000 of exploration expenditures on the Properties. Following the Year 1 earn-in, Altius will have the right to acquire an additional 19.9% of the Properties by completing \$2.5 million in exploration spending by September 29, 2021, plus the right to acquire an additional 10% of the Properties by completing exploration spending of a further \$5 million, or completing an NI 43-101 compliant pre-feasibility study on a mineral resource on the Properties, both before September 29, 2025. The Company also granted to Altius a 2% net smelter returns (NSR) royalty on the Voyageur Lands (covering approximately 250 square miles of mineral rights) and assigned to Altius its right to repurchase a 1% NSR held by a third party on the Copper Range Lands, both of which are subject to Altius funding the required Year 1 exploration expenditures. During the year ended October 31, 2016, the Company acquired new State of Michigan metallic minerals leases covering 3,050.87 acres. A cash bond of US\$30,000 has been posted by a subsidiary of Altius Minerals Corporation.

The primary exploration targets being pursued on Bitterroot’s Voyageur Lands are conduit-hosted, high-grade magmatic nickel-copper-PGM deposits similar to Lundin Mining’s Eagle and Eagle East deposits, which are located 65 km NE of the Voyageur Lands. The Eagle and Eagle East deposits are part of a type of deposits which also includes the much larger Voisey’s Bay deposits in Labrador. Mafic intrusions associated with the earliest magmatism in the 1.1 billion year-old Mid-Continent Rift in the Upper Peninsula of Michigan have good potential for the discovery of additional deposits of this type.

In October 2015, Bitterroot and Altius retained Geotech Ltd. to complete a 4,560 line-kilometre VTEM Plus airborne magnetic and electromagnetic survey. In early 2016, analysis of the VTEM Plus data and subsequent Maxwell modelling has resulted in the selection of ten high-priority targets and six secondary targets for follow-up. Prospecting around the VTEM Plus targets has resulted in the discovery of a previously unmapped ultramafic high-level intrusion or flow, which enhances the exploration potential of several adjacent, high-priority VTEM Plus targets. Bitterroot and Altius are currently seeking sources of funding for follow-up ground geophysics (Time Domain EM and gravity) and drilling to test these targets.

In conjunction with the Transaction, the Company consolidated its common shares on a 10 (ten) old for 1 (one) new basis and settled debts of \$307,702 through the issuance of 3,077,022 post-consolidation common shares at a deemed price of \$0.10 per share.

Altius also subscribed on a private placement basis for 4,051,514 post-consolidation common shares of the Company, priced at \$0.0987 per share for gross proceeds of \$400,000. Upon completion of the share consolidation, the share issuance to Altius and the shares-for-debt settlements, Altius owned 19.9% of the outstanding common shares of the Company.

LM Property

In September 2014, the Company's Michigan subsidiary entered into an agreement whereby it purchased a third party's entire interest in a 40-acre minerals lease in Baraga County, Michigan, known as the "LM" property. In May 2015, the Company made its required US\$4,000 annual advance royalty payment. The LM property is prospective for Ni-Cu-PGM mineralization similar to Lundin Mining Corporation's Eagle Mine, located approximately 24 km ESE, in a similar geological setting. The Baraga Basin hosts several other nickel and copper sulphide-bearing mafic/ultramafic intrusions, including Lundin Mining's Eagle East deposit and Rio Tinto's Bovine Igneous Complex. Ni-Cu-PGM-mineralized boulders have been discovered in gravel pits less than 2 km east and south ("down-ice") of the LM property. Shallow drilling in the 1990's intersected 190 metres of mafic intrusion hosted in Baraga Group sediments. Bitterroot's management plans to drill-test the intrusion at depths of 400-600 metres, subject to financing. This lease interest is not part of the Altius transaction described above.

During the year ended October 31, 2015 and 2016, the Company and the lessors of the LM Property agreed to amend the terms of their mineral leases. The amendment gives the Company the option to reduce the current 3% net smelter returns royalty (NSR) to a 2% NSR by paying US\$1,000,000 at any time prior to December 31, 2064. The option was purchased for US\$4,000 (paid), plus 100,000 common shares of the Company valued at \$3,500 (paid).

In November 2015, the Company and the lessors agreed to a second amendment. The amendment extends the term of the LM Property mineral leases by 41 years to December 31, 2064. In consideration for extending the term, the next annual advance royalty payment will be increased to US\$110/acre/year, commencing May 31, 2016 (paid 2016 royalty payment). The advance royalty payments will increase by \$10/acre/year for each subsequent year that the lease is in effect.

During the year ended October 31, 2016, the Company spent \$75,884 (2015 - \$82,883), of which \$75,005 was recovered from Altius as reimbursements and management fees. As of November 1, 2016, Altius became the operator of the exploration programs and Bitterroot will no longer be incurring expenditures or receiving management fees from Altius on its Michigan exploration projects, mainly on acquisition costs, lease payments and geological consulting. Dr. Jules J. Lajoie, P.Eng is the Qualified Person responsible for the technical content of this disclosure.

North Brenda Project, British Columbia

During the year ended October 31, 2015 and 2014, the Company performed minimal exploration work on the North Brenda claims and as a result wrote off \$976,654 costs related to the property. The vendors retain a 2% net smelter returns royalty, of which the Company can purchase half by paying \$1,000,000.

Hackberry Property

In January 2017, the Company, through its US subsidiary, Trans Superior Resources, Inc., acquired an option (the "Option") from the Hughes Family Trust ("Hughes") to purchase a 100% interest in 12 patented lode mining claims comprising the core of the Hackberry property, a former high-grade silver producer in Mohave County, Arizona. Under the terms of the Option, and immediately following receipt of TSX Venture Exchange ("Exchange") acceptance of the Option, the Company will initially pay US\$50,000 and issue 1,500,000 common shares to

Hughes. On or before each of the next four (4) anniversary dates of Exchange acceptance, the Company will pay Hughes US\$62,500 and issue Hughes 1,250,000 shares, for total consideration of US\$300,000 and 6,500,000 shares of the Company, to exercise the Option and acquire a 100 percent interest in the patented claims. Hughes will also retain a 3 percent net smelter returns royalty (the "NSR") on the patented claims and 13 of the Company's unpatented claims. Following exercise of the Option, the Company can buy half (1.5 percent) of the NSR for US\$1,500,000. Upon commencement of commercial production, Hughes will also receive minimum advance royalty payments of US\$940,000 per year for 5 years. On or before the fourth anniversary the Company must have incurred or spent a cumulative minimum of US\$1,000,000 on exploration expenditures. The Option Agreement remains subject to the acceptance of the TSX Venture Exchange.

In January 2017, the Company appointed John H. Wright as a director of the Company. Mr. Wright was a founder, director and former president and chief operating officer of Pan American Silver Corp. He is a director of SilverCrest Metals Inc. and has previously been a director of Lumina Copper Corp., Northern Peru Copper Corp., Regalito Copper Corp. and Capstone Mining Corp. The first 10 years of John's career were spent with Teck Corporation and Cominco Ltd., where he worked at the Trail smelter operations, and later participated in the management of feasibility studies, marketing and mine construction at the Afton, Highmont, Bullmoose and David Bell mines. Mr. Wright is a metallurgical engineer and honours graduate of Queens University in Ontario.

In January 2017, the Company entered into an option agreement with Ely Gold & Minerals Inc. ("Ely", symbol ELY, TSX-V) and Ely's wholly-owned subsidiary Nevada Select Royalty Inc. ("Nevada Select") to acquire a 100% interest in the North Hackberry claims (the "Option"). The North Hackberry unpatented lode claims host the Silver King past-producing highgrade silver mine. The Silver King mine is an important part of the main Hackberry mineralized system, which also hosts the Old Hackberry (Sunshine) and South Hackberry Mines. The Company now controls lands covering over 4.2 kilometres (2.6 miles) of prospective strike length along the Hackberry silver-mineralized structure in Mohave County, Arizona. Under the terms of the Option, and immediately following receipt of TSX Venture Exchange ("Exchange") acceptance of the Option, the Company will initially pay Nevada Select US\$20,000 and issue 200,000 common shares to Nevada Select. On or before the first anniversary date of Exchange acceptance, The Company will pay Nevada Select US\$30,000 and issue Nevada Select 100,000 shares. On or before the second anniversary date of Exchange acceptance, Bitterroot will pay Nevada Select US\$50,000 and issue Nevada Select 100,000 shares. On or before the third anniversary date of Exchange acceptance, Bitterroot will pay Nevada Select US\$50,000 and issue Nevada Select 200,000 shares for total consideration of US\$150,000 and 600,000 Bitterroot shares to exercise the Option and acquire a 100 percent interest in the unpatented claims. Nevada Select will also retain a 3 percent net smelter returns royalty (the "NSR") on precious metals (defined as silver, gold and platinum), a 2% NSR on all other products sold from the property and a 0.5% NSR on any unpatented lands which the Company acquires within a 2.66 mile radius of the North Hackberry claims. On the first three anniversaries of the Option exercise, the Company will pay Nevada Select advance minimum royalty payments of US\$10,000 per year. On each of the fourth through tenth anniversaries of the Option exercise, the Company will pay Nevada Select advance minimum royalty payments of US\$15,000 per year. The Option remains subject to the acceptance of the Exchange. Once accepted, the Company will pay a finder's fee of 100,000 common shares of the Company to an arms-length party.

SELECTED ANNUAL INFORMATION

The following table represents selected information of the Company for the three most recently completed financial years:

	October 31, 2016	October 31, 2015	October 31, 2014
Total revenue	\$ -	\$ -	\$ -
Loss and comprehensive loss for the year	281,647	333,847	1,486,949
Basic and diluted loss per share	(0.01)	(0.02)	(0.11)
Total assets	4,452,493	4,542,397	4,457,755
Total long term liabilities	-	-	-

During the year ended October 31, 2014, the Company wrote-down \$1,140,847 of capitalized expenditures on the North Brenda Property and Michigan Lands.

SUMMARY OF FINANCIAL RESULTS

Revenues

Due to the Company's status as an exploration and development stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations.

Expenses

During the year ended October 31, 2016, the Company recorded a loss of \$281,647 (\$0.01 per share) compared to a loss of \$333,847 (\$0.02 per share) for the year ended October 31, 2015.

Expenses were \$281,647 for the year ended October 31, 2016 compared to \$333,847 for the year ended October 31, 2015.

Expenses details are as follows:

- a) Interest expense of \$289 (2015 - \$8,375) - the decrease is due to settlement of a loan from a non-arms-length party during the year ended October 31, 2015.
- b) Foreign exchange loss of \$1,854 (2015 - \$23,282) – the change in foreign exchange is due to fluctuations in US dollar exchange rates during the year.
- c) Professional fees of \$46,361 (2015 - \$97,967) – the decrease is due to a lower volume of legal activities in the current year compared to the prior year. The previous year included fees related to the various Altius and LM property transactions.
- d) Share-based compensation of \$32,651 (2015 - \$Nil) – During the year ended October 31, 2016, the Company granted 1,200,000 (2015 – Nil) stock options calculated using the Black-Scholes option pricing model.

The remaining expenses were relatively comparable to the prior year.

Fourth quarter - expenses

During the three months ended October 31, 2016, the Company recorded a loss of \$70,471 (\$0.00 per share) compared to a loss of \$112,809 (\$0.01 per share) for the three months ended October 31, 2015. Expenses details are as follows:

- a) Interest expense of \$289 (2015 - Recovery of \$2,074) – the increase is due to settlement of a loan from a non-arms-length party and adjustment of the accrued interest in the prior period.
- b) Foreign exchange loss of \$795 (2015 - \$3,139) – the change in foreign exchange is due to fluctuations in US dollar exchange rates during the period.
- c) Professional fees of \$19,474 (2015 - \$60,572) – the decrease is due to a lower volume of legal activities in the current period compared to the same period in the prior year. The previous period included fees related to the various Altius and LM property transactions in fiscal 2015.

The remaining expenses were relatively comparable to the same period of the prior year.

SUMMARY OF QUARTERLY RESULTS

The following tables set forth a comparison of revenues and expenses for the previous eight quarters ending with October 31, 2016.

	October 31, 2016	July 31, 2016	April 30, 2016	January 31, 2016
Revenue	\$ nil	\$ nil	\$ nil	\$ nil
Loss for the period	(70,471)	(52,644)	(65,934)	(92,598)
Exploration and evaluation assets	4,418,045	4,396,698	4,426,171	4,428,271
Total assets	4,452,493	4,469,675	4,478,939	4,511,704
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2015
Revenue	\$ nil	\$ nil	\$ nil	\$ nil
Loss for the period	(112,810)	(81,117)	(79,519)	(60,401)
Exploration and evaluation assets	4,417,166	4,440,777	4,467,101	4,462,306
Total assets	4,542,397	4,510,763	4,506,984	4,504,615
Loss per share	(0.01)	(0.01)	(0.01)	(0.00)

During the quarter ended January 31, 2016, the Company recorded share-based payments of \$32,651.

During the quarter ended October 31, 2015, the Company recorded professional fees of \$60,572.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2016, the Company had cash of \$232, \$126,000 was owed to related parties, accounts payable and accrued liabilities were \$53,815 and the working capital deficiency was \$185,186. The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Company is dependent upon the continuing financial support of creditors and stockholders, refinancing debts payable, obtaining additional long term debt or equity financing, as well as achieving and maintaining a profitable level of operations. The Company believes it will require additional working capital to meet operating and exploration costs for the upcoming year.

During the year ended October 31, 2016, the Company received loan proceeds of \$15,000 (2015 - \$71,000) from a non-arm’s length party. The loan is unsecured, bears interest at a rate of 12% per annum and is payable on demand. During the year ended October 31, 2016, the Company accrued interest of \$289.

During the year ended October 31, 2016, the Company recorded cost recoveries and management fees of \$75,005 from Altius Minerals Corporation.

In February 2017, the Company issued 7,160,611 units priced at \$0.18, for gross proceeds of \$1,288,910 in a non-brokered private placement. Each unit consists of one common share and one half of a common share purchase warrant. Each full warrant will be exercisable at \$0.30 for a period of 24 months. The proceeds will be used to fund exploration and acquisition costs on the Company’s recently-acquired Hackberry silver project and for working capital. Finders' fees of \$54,318.60 and 301,770 share purchase warrants (broker warrants), exercisable on the same terms as the private placement warrants, were paid to third party finders.

Subsequent to the year ended October 31, 2016, the Company received loan proceeds of \$56,000 and US\$50,000 from a non-arm’s length party. The loan proceeds are unsecured, bear interest at a rate of 12% per annum and are payable on demand.

RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The following is a summary of related party transactions and balances during the year ended October 31, 2016, not disclosed elsewhere in the financial statements:

- (a) Management fees of \$120,000 (2015 - \$120,000) were incurred from a company controlled by a Director of the Company.
- (b) Share-based payments include stock options granted to directors and officers recorded at a fair value of \$23,128 (2015 - \$Nil).

As at October 31, 2016, the Company owed \$126,000 (2015 - \$10,500) to a company controlled by a director in common. During the year ended October 31, 2016, the Company received loan proceeds from a non-arms-length party in the aggregate amount of \$15,000 (2015 - \$71,000).

RISKS AND UNCERTAINTIES

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing government law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.
- Financial risks include commodity prices, interest rates and the Canadian dollar and the United States dollar, which are beyond the Company's control.
- Regulatory risks include the possible delay in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, increased fees for filing, the introduction of ever more complex reporting requirements, the escalating cost of which the Company must meet in order to maintain its exchange listing and the resulting potential for accounting errors which may lead to fines, interest charges and cash calls.

The Company's ability to meet its ongoing financial obligations will be determined by management's success in acquiring exploration and evaluation assets, obtaining equity financing, negotiating joint venture arrangements and facilitating the exercise of outstanding share purchase warrants and options. There can be no assurance that the Company will be able to continue to raise funds, in which case it may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. Details of funding commitments on the Company's exploration and evaluation assets are disclosed in Note 5 of the audited consolidated financial statements for the year ended October 31, 2016.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements for the year ended October 31, 2016 to which this MD&A relates. An analysis of the material components of the exploration and evaluation assets of the Company is disclosed in Note 5 of the audited consolidated financial statements for the year ended October 31, 2016 to which this MD&A relates.

OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

As at the date of this report, the Company has the following outstanding:

- 27,619,978 common shares
- Stock options:

Number of Options	Exercise Price (\$)	Expiry Date
178,000	1.05	September 9, 2017
45,000	1.00	March 24, 2018
80,000	1.05	August 28, 2018
20,000	1.00	January 23, 2019
160,000	1.00	June 19, 2019
1,200,000	0.10	January 21, 2021
270,000	0.10	January 16, 2022
1,953,000		

- Warrants:

Number of Warrants	Exercise Price (\$)	Expiry Date
3,882,075	0.30	February 16, 2019
3,882,075		

OFF-BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

The Company continues to evaluate property acquisitions and dispositions, actively target sources of additional financing through alliances with financial, exploration and mining entities and to explore and develop its exploration and evaluation assets. Should it enter into agreements over new properties, it may be required to make cash payments and complete work expenditure commitments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual reports could differ from management's estimates.

CONTINGENCIES

There are no contingent liabilities.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited condensed consolidated interim financial statements and the audited consolidated financial statements and respective accompanying Management’s Discussion & Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company’s technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

RECENT ACCOUNTING POLICIES

Please refer to the October 31, 2016 consolidated financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the October 31, 2016 consolidated financial statements on www.sedar.com.

DIRECTORS AND OFFICERS

Michael S. Carr, *CEO, President, Secretary & Director*
Terence S. Ortslan, *Director*
George W. Sanders, *Director*
John H. Wright, *Director*
Barney Magnusson, *Chief Financial Officer*