MANAGEMENT'S DISCUSSION AND ANALYSIS OF
MAPLE GOLD MINES LTD.
(formerly Aurvista Gold Corporation)
(An Exploration Stage Company)

FOR THE YEAR ENDED
DECEMBER 31, 2017

Dated: April 18, 2018

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2017 AND THE PERIOD UP TO APRIL 18, 2018

Exploration highlights

- On March 29, 2018, the Company announced the filing of a National Instrument 43-101 Technical Report for the updated Mineral Resource Estimate at the Douay Gold Project. The Technical Report is dated March 15, 2018 with an effective date of February 9, 2018. The Technical Report was completed by Micon International Limited and includes an Indicated Mineral Resource Estimate of 479,000 ounces of gold in 9,383,000 tonnes at an average gold grade of 1.59 g/t Au (0.45 g/t gold cut-off grade) and an Inferred Mineral Resource Estimate of 2,759,000 ounces of gold in 84,152,000 tonnes at an average gold grade of 1.02 g/t Au (0.45 g/t gold cut-off grade). The updated estimate included additional drilling and assays from work completed during 2017 with updated block model wireframes, modified search ellipses and modified geologic interpretations, all of which targeted a more refined and constrained model.

- On March 14, 2018, March 8, 2018, February 27, 2018, January 29, 2018 and January 18, 2018 the Company announced updates with respect to the winter drilling program including updates on the NE syenite target, receipt of permits for drilling, additional drilling contracts and commencement of the first drill-hole.

- On January 10, 2018, the Company provided an exploration update with respect to the re-logging of over 18,000m from selected higher-grade sections, completion of the 75 people camp and signing of first drilling contract.

- On November 29, 2017, the Company provided an exploration update prior to the winter drilling campaign. The prospective length for intrusive-associated gold mineralization has expanded from 7km to 10km. In addition, a significant 6km by 1km north east syenite exploration target has been defined.

- On November 6, 2017, the Company provided an update on its exploration work and provided an update that most of the Company's previously staked and pending claims have now been granted, bringing the total project size to more than 370 km² with over 55km of strike along the Casa Berardi Deformation Zone.

- On September 12, 2017, the Company provided an exploration update and outlined go-forward exploration plans following the Technical Advisory Committee spending significant time reviewing project data, visiting the site and working with the Company's geologic consultants to develop a refined go-forward program and strategy.

- On July 17, 2017, the Company announced the final drill results and summary from the 2017 spring-summer drill program. The drill program totaled 23,965 metres across 59 drill-holes.

- On January 31, 2017, the Company announced that it had repurchased and cancelled a 1.5% Net Smelter Returns Royalty interest on 32 contiguous claims from the Douay Gold Project from Northern Abitibi Mining Corp. for total cash consideration of $325,000.

Corporate highlights

- On April 12, 2018, the Company announced the closing of a non-brokered private placement for aggregate proceeds of $3,950,000 through the issuance of 16,458,334 common shares at a price of $0.24 per share. In connection with the private placement administrative fees of $187,000 were paid to certain participants. The Company intends on using the net proceeds from the private placement to continue advancing the Douay Gold Project and for general corporate purposes.

- On November 17, 2017, the Company announced the listing for trading on the TSX-Venture Exchange 31,034,150 common share purchase warrants under the symbol MGM.WT. The share purchase warrants commenced trading on November 20, 2017.

- On November 8, 2017, the Company announced that it had changed its name to Maple Gold Mines Ltd. On November 9, 2017, the Company's common shares commenced trading on the OTCQB under the symbol MGMLF. On

November 20, 2017 the Company's trading symbol on the TSX Venture Exchange changed to "MGM" and on the Frankfurt Stock Exchange, Germany changed to "M3G".

- On May 23, 2017, September 18, 2017, October 10, 2017 and November 6, 2017 the Company announced changes to the corporate management team.

- On July 27, 2017, August 17, 2017 and October 10, 2017 the Company announced changes to the Board of Directors and the establishment of a Technical Advisory Committee.

- On June 26 and July 14, 2017, the Company announced details of the completion of its hard dollar financing and tranche 1 and tranche 2 of flow-through financing for gross proceeds of $10,100,000.

Readers are cautioned that this Management Discussion and Analysis ("MD&A") contains "forward-looking statements" and that actual events may vary from management's expectations. Readers are encouraged to read the cautionary note below regarding such forward-looking statements.

1.1.1 Date

This MD&A of Maple Gold Mines Ltd. (the "Company" or "Maple Gold") has been prepared by management to assist the reader to assess material changes in the financial condition and results of operations of the Company as at December 31, 2017 and for the three and twelve months then ended. This MD&A should be read in conjunction with the financial statements of the Company and related notes thereto as at and for the year ended December 31, 2017 and 2016. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts presented are Canadian dollars unless otherwise stated.

This MD&A was reviewed, approved and authorized for issuance by the Company's Board of Directors on April 18, 2018 and the effective date of this MD&A is April 18, 2018.

1.1.2 Forward-looking statements

This MD&A may contain "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. Forward-looking statements in this MD&A, , include but are not limited to, statements with respect to the Company's opinions and beliefs, financial position, business strategy, budgets, mineral resource estimates, ongoing or future development and exploration opportunities and projects, drilling, re-logging, geochemical and geological modeling plans, data from sampling programs, references to potential higher grades, assay results, expanded mineralized zones, ground surveys, the remote spectral geology project, top-of-bedrock sampling data, publication of updated mineral resource estimates, classification of mineral resources, and plans and objectives of management for properties and operations.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate", "believe", "estimate", "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, as well as assumptions by management, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to general economic conditions; actual results of current exploration activities and unanticipated reclamation expenses; fluctuations in prices of gold and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in Canada; as well as other factors. Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com and on the Company's web site at www.maplegoldmines.com.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Maple Gold does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

1.2.1 Description of business

Maple Gold is an exploration company focused on the exploration of its sole mineral property, the Douay Gold Project located in Quebec.

The Company was incorporated under the Ontario Business Corporations Act on June 3, 2010 and was continued under the Canada Business Corporations Act by articles of continuance dated June 22, 2011. On November 8, 2017, the Company changed its name to Maple Gold Mines Ltd. The Company is listed on the TSX Venture Exchange under the symbol MGM, on the OTCQB in the US under the symbol MGMLF and on the Frankfurt Stock Exchange, Germany under the symbol M3G. The registered office of the Company is 250 Place d'Youville, 2e etage, Montreal, Quebec, H2Y 2B6.

1.2.2 Douay Gold Project ("Douay")

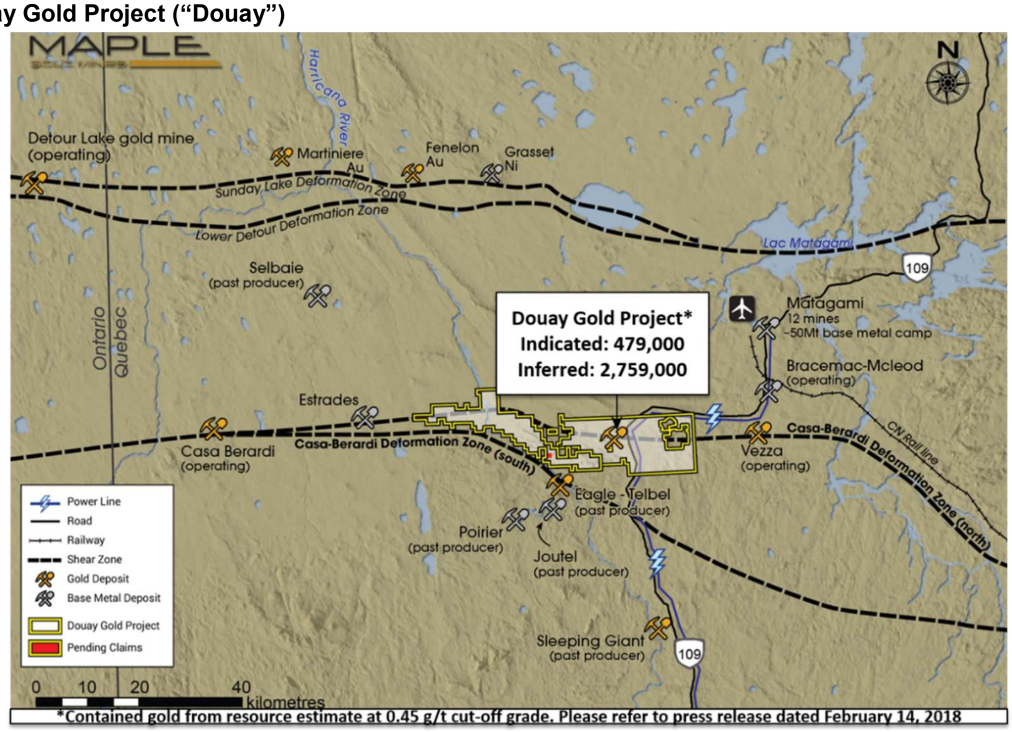

Figure 1 – regional map showing the location of the Douay project and past and current mineral operations.

Douay is located approximately 55 km southwest of Matagami and 110 km north of Amos, Quebec. It is accessible by an all season paved Provincial Highway (#109), which is the major North-South regional highway linking the towns of Amos (Val-d'Or) and Matagami (James Bay region), and which cuts across the property. Utilities are available on site including hydro-electricity provided directly from Hydro-Quebec's power grid to the Company's on-site substation. Currently, there is a 75-person exploration camp on the property with drill core logging, sawing and sampling equipment, storage facilities, lodging and catering facilities.

Douay consists of 701 claims covering approximately 375 km^2. Douay now covers a 55 km segment of the Casa Berardi Deformation Zone ("CBDZ"), one of several metalliferous "breaks", in the Abitibi Belt of northern Quebec.

Ownership

The Company holds a 100% interest in 669 mostly contiguous claims totalling approximately 363 km^2 and a 75% interest (the remaining 25% interest is held by SOQUEM) in 32 contiguous claims totalling approximately 12 km^2. The Company has presented the 2018 drill program for the joint venture area to SOQUEM Inc.; the latter has accepted this proposal and is expected to participate pro-rata.

On January 31, 2017, the Company announced that it had purchased and cancelled a 1.5% Net Smelter Return ("NSR") Royalty interest on 32 contiguous claims from Northern Abitibi Mining Corp. ("NAMC") for a total cash consideration of $325,000. The repurchased NSR covered the 32 contiguous claims in the north-central quadrant of Douay covering the Northwest Zone due north of the Douay West Zone.

The Company also renegotiated the "bonus purchase price" that NAMC owned and to which the Company and S.E.M. Vior (the original vendor) were obligated to pay for cash consideration of $20,000. The Company then exercised its option to acquire the remaining 10% interest held by S.E.M. Vior for $12,500 cash.

The only remaining lien is a 1% NSR Royalty owned by Cambior Inc. (now controlled by IAMGOLD) which covers the Northwest and West Zone claims (not to be confused with the separate Douay West Zone), with 37 claims in total.

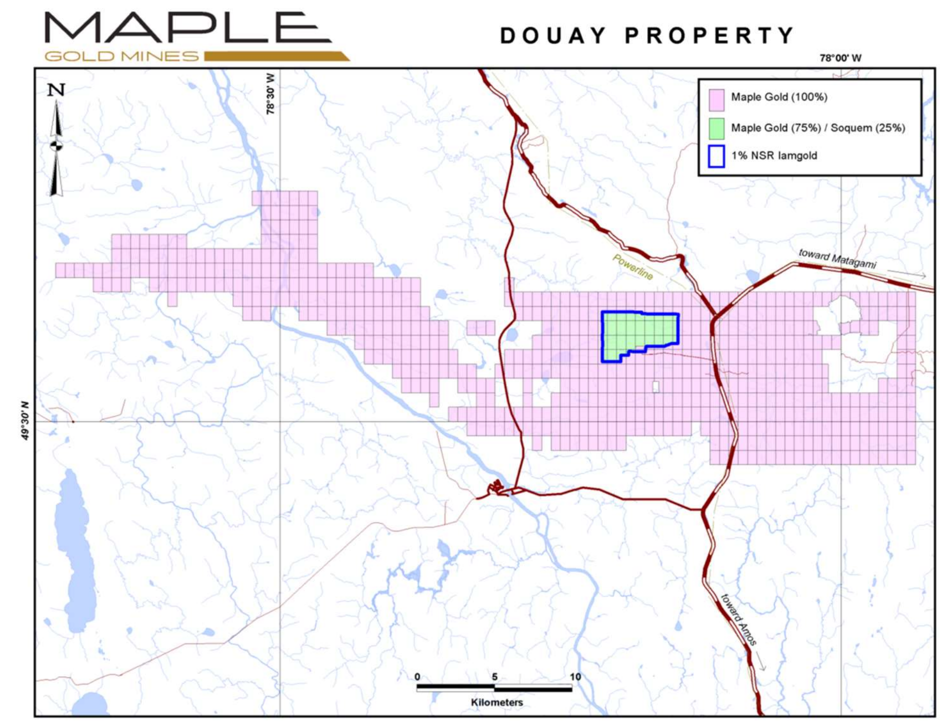

Figure 2 – Douay Project ownership map

Mineral resources

Mineral resources at Douay currently extend along a 6.1km corridor characterized by the presence of a large, alkalic intrusive-hydrothermal system emplaced into a sequence consisting predominantly of basalts, with lesser gabbroic and volcaniclastic /pyroclastic intervals. While the entire system averages just over 1 g/t Au, there are multiple areas of higher grade gold mineralization, mainly hosted in pyritic mafic rocks with lesser injections of syenitic intrusions, but also within the intrusive complex itself. There is significant potential to discover additional gold mineralization within and beyond this corridor, as these zones remain open along strike and down-plunge. On February 14, 2018 the Company reported an updated resource estimate (see press release dated February 14, 2018). As per the updated estimate, this corridor now hosts Indicated Mineral Resources totalling 0.479 million ounces of gold (9.38 Mt @ 1.59 g/t Au) in addition to Inferred Mineral Resources totalling 2.759 million ounces of gold (84.15Mt @1.02 g/t Au), both using a 0.45 g/t Au cut-off (Micon 2018). This independent Technical Report was completed by Micon International Limited ("Micon"), titled "NI 43-101 F1 Technical Report, Mineral Resource Estimate for the Douay Gold Project, Douay Township, Quebec, Canada" dated March 15, 2018, filed under Maple Gold's profile at www.sedar.com, with an effective date of February 9, 2018). The 2018 mineral resource is listed in the table below:

Mineralized Zone	Category	Metric Tonnes	Average Gold Grade (g/t)	Contained Gold (oz)
Porphyry (POR)	Indicated	5,690,000	1.01	185,000
	Inferred	68,910,000	0.97	2,142,000
Douay West (DW)	Indicated	3,693,000	2.47	294,000
	Inferred	2,932,000	1.39	131,000
531 Zone (531)	Inferred	4,998,000	1.33	214,000
Main Zone (MZ)	Inferred	1,849,000	1.43	85,000
Zone 10 (MZ10)	Inferred	1,864,000	1.14	68,000
North-West (NW)	Inferred	828,000	1.80	48,000
Zone 20 (MZ20)	Inferred	1,685,000	0.69	38,000
Central Zone (CZ)	Inferred	1,086,000	0.96	33,000
Grand Total Indicated		**9,383,000**	**1.59**	**479,000**
Grand Total Inferred		**84,152,000**	**1.02**	**2,759,000**

Table 1 - Pit Constrained Mineral Resource Estimate for the Douay project at 0.45 g/t Au Cut-off by Zone as of February 9, 2018 taken from the NI 43-101 Technical Report prepared by Micon (2018).

The majority of the gold resources defined to-date at Douay are hosted within often porphyritic syenitic intrusions that have been emplaced along the CBDZ. This style of gold mineralization belongs to a relatively recently defined class of intrusive-related gold ("IRGS") deposits in the Abitibi, which includes deposits such as Malartic, Young-Davidson and Beattie, amongst others. The largest zone within the Douay intrusive-hydrothermal system, is the Porphyry Zone (5.7Mt @1.01 g/t Au Indicated and 68.9 Mt @ 0.97 g/t Au Inferred; Micon, 2018), which represents a large bulk mining target. Additional gold mineralization at Douay, generally of higher grade, is also hosted by altered mafic volcanics with lesser syenitic injections, occurring in zones such as Douay West (3.69 Mt @ 2.47 g/t Au Indicated and a further 2.93Mt @1.39 g/t Au inferred; Micon, 2018). In addition, unrelated base metal mineralization possibly of volcanogenic massive sulphide ("VMS") type also occurs on the property.

The western part of the Douay property remains relatively under-explored, despite its location along a major regional structure. This greenfields area is considered to have potential not only for VMS and IRGS styles of mineralization, but also for orogenic style of gold mineralization (i.e. vein-related) such as occurs at the nearby Casa Berardi and Sleeping Giant mines.

The Company has revised its exploration plans to leverage both the brownfields and greenfields potential at Douay. A thorough review and analysis of all existing geological, geochemical and geophysical data is continuing, which combined with generation of new data from re-logging and sampling programs, is being used to produce a comprehensive exploration strategy and diamond drilling plan through to early 2019.

2018 Exploration program at the Douay Gold Project

The 2018 winter drill program was initiated on January 16, 2018 with a single drill rig testing the highest priority of the remaining approximately 55 permitted sites. Four additional permits were requested for a further 99 diamond drill and 100 RC drilling sites; these permits were received between February 16 and 28, 2018. With these permits in hand, the drill program has been ramped up to a full complement of 6 diamond drills and 1 RC drill. To-date, diamond drilling has focused mostly on the previously permitted infill and step-out targets in the Resource Area. Greenfields drilling has now also been started with one diamond drill in the NE Syenite target area (see press release dated March 14, 2018), and with one RC rig in the westernmost part of the property.

Historical Drill-Core Re-logging & Assaying Program

The Company is very fortunate to have more than 220,000 metres of drill core archived onsite, covering all of the drill programs back to the initial discovery by Inco Gold in 1976. The Company's exploration team has re-logged much of this historical core over the past two years, significantly simplifying the geological model and improving understanding of controls on gold and, to a lesser extent, base metal mineralization. Ongoing re-logging, as required, is an important step that will provide valuable targeting information for future exploration and drilling campaigns. The Company will complete its initial work focused on selected areas with clusters of higher grade and broader gold intercepts, with re-logging and interpretation focused on characterizing and better understanding these areas of higher gold accumulation. In addition to the improved geological and exploration models that will result from the re-logging, a significant amount of the historical drill-core was not sampled, nor assayed for gold or for other trace elements. Assay results for an initial 8,000 samples of historical drilling were received and have been integrated into the Micon (2018) Technical Report. Re-assaying will continue during 2018, where required, to better support the current block model.

These new assays will help identify mineralization vectors and substantively improve geostatistical modelling of the Douay Mineral Resources. Sample assaying will continue to be completed by ALS Laboratory Group facilities.

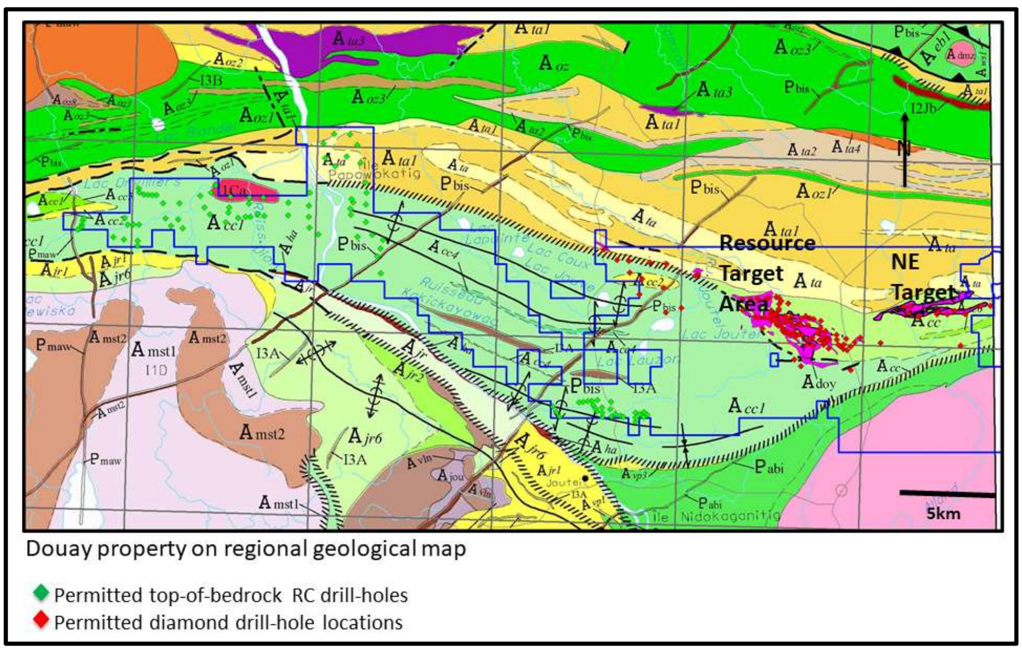

Figure 3 – General geology and permitted drill sites for the Douay Property

Geophysical Program

The current Douay project is partly covered by both airborne magnetic and EM surveys that provide a solid basis for interpretation of stratigraphic and structural trends, as well as the potential for detection of gold and base metal mineralization associated with conductive and magnetic features. Similar airborne surveys may be flown over the western part of the property in 2018.

Top-of-Bedrock RC Drill Program

Much of the company's prospective ground over the CBDZ is covered by post-mineral glacial deposits, so that conventional soil sampling is ineffective at targeting bedrock anomalies. The Company's technical committee previously recommended a property-scale reverse circulation drilling or similar top-of-bedrock sampling program in areas with no outcrop and little historical drilling, to provide critically important geochemical data, including characterization of lithologies, alteration and mineralization, for exploration vectoring and targeting. This work was recently started with one specialized RC drill rig after the required permits were received.

In addition, a property-wide remote spectral geology survey was completed, and results are being assessed. Target areas from this project, together with those from the property-scale review of the Company's existing geoscientific data sets, will form the basis of summer 2018 exploration work. This work is also expected to provide additional drill targets for the winter 2019 campaign.

Diamond Drill Program

The majority of the Company's existing exploration funds are budgeted for drilling. Drilling is best conducted during the winter season to avoid costly helicopter-support necessary for drilling on unfrozen ground. Following review and analysis of the extensive geological, geochemical and geophysical datasets available to the geological team, on January 16, 2018 the Company commenced a revised and refocused diamond drilling campaign to test both greenfields and brownfields (including infill and step-out) targets.

1.2.3 Overall program analysis

During the year ended December 31, 2017 and 2016, the Company incurred $8,528,553 and $1,836,443, respectively, in exploration and evaluation expenses as detailed in the table below:

	2017	2016
Acquisition	$ 357,500	$ -
Camp set up	744,367	-
Drilling and core assaying and logging	4,817,328	1,465,209
Engineering	156,318	37,100
Environmental	124,523	480
Geochemical	252,278	-
Geology	698,792	41,915
Geophysics	115,206	219,716
Licenses and permits	98,981	16,972
Project management and supervision	160,450	10,080
Other exploration support costs	330,823	29,351
Share based payments	139,674	47,467
Site reclamation	50,384	-
Mineral exploration tax credits	481,929	(31,847)
Total expenditures in the year	8,528,553	1,836,443
Opening accumulated expenses	30,617,046	28,780,603
Closing accumulated expenses	$39,145,599	$30,617,046

1.2.4 Qualified persons and technical disclosures

The scientific and technical data contained in this MD&A was reviewed and prepared under the supervision of Fred Speidel, M.Sc., P. Geo., Vice-President Exploration, of Maple Gold. Mr. Speidel is a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Speidel has verified the data related to the exploration information disclosed in this MD&A through his direct participation in the work.

Certain scientific and technical information with respect to the Douay Gold Project contained in this MD&A has been taken from the technical report entitled "NI 43-101 F1 Technical Report Updated Resource Estimate For The Douay Gold Project, Douay Township, Quebec, Canada" with an effective date of February 15, 2017 (the "Technical Report") authored by William J. Lewis, B.Sc., P.Geo., Richard M. Gowans, B.Sc. P.Eng. and Antoine Yassa, P.Geo. A copy of the Technical Report is available on the Company's SEDAR profile at www.sedar.com. Detailed descriptions, results and analysis of Maple Gold's data verification, drilling, QA/QC programs, and mineral resource estimation methodology can be found in the Technical Report.

Cautionary Note to United States Investors concerning Estimates of Measured, Indicated and Inferred Resource Estimates

This disclosure has been prepared in accordance with the requirements of Canadian provincial securities laws which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all mineral resource estimates included in this disclosure have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum classification systems. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC"), and resource estimates disclosed may not be comparable to similar information disclosed by U.S. companies.

In addition, this disclosure uses the terms "measured and indicated resources" and "inferred resources" to comply with the reporting standards in Canada. The Company advises United States investors that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. United States investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the "inferred resources" exist. In accordance with Canadian securities laws, estimates of "inferred resources" cannot form the basis of feasibility or other economic studies. It cannot be assumed that all or any part of "measured and indicated resources" or "inferred resources" will ever be upgraded to a higher category or are economically or legally mineable. In addition, disclosure of "contained ounces" is permitted disclosure under Canadian securities laws; however, the SEC only permits issuers to report mineralization as in place tonnage and grade without reference to unit measures.

1.3 Selected annual information

	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Loss for the year	$12,297,067	$3,025,625	$1,028,827
Total comprehensive loss for the year	$12,088,149	$2,960,825	$1,061,227
Basic and diluted loss per share	$0.08	$0.04	$0.02
Total assets	$7,002,726	$5,309,080	$660,262
Total long-term liabilities	$126,974	$-	$-
Cash dividends per share	-	-	-

The Company generated no revenues from operations during the above periods.

1.4 Results of operations

Year ended December 31, 2017 and 2016

During the year ended December 31, 2017, the Company reported a loss for the year of $12,297,067 and loss per share of $0.08 compared to a loss for the year of $3,025,625 and loss per share of $0.04, respectively, for the year ended December 31, 2016. The $9,271,442 increase in loss for the period is driven by a $6,692,110 increase in exploration and evaluation expenses (see section 1.2.3), $3,359,329 increase in general and administrative expenses offset by $866,030 in amortization of the flow through liability premium.

Exploration and evaluation expenses has increased in the current period due to the increased activity in 2017 including the spring-summer exploration program, work on the re-logging of core and steps being taken to prepare the site for the 2018 exploration program.

Costs in 2016 were lower as the Company shutdown operations to conserve its remaining cash. After raising approximately $6 million via a private placement in late 2016 the Company started to expand its office and administration team in order to manage the 2017 and beyond exploration programs. Several management additions and changes have occurred in 2017 leading to salaries and benefits being higher in 2017. The Company moved into its new Toronto office in June 2017 leading to higher rental costs and in December 2017 the Company opened a Vancouver office. Professional fees have increased due to increased legal costs associated with maintaining the Company's public listing.

Share-based compensation expense increased by $851,252 during the year ended December 31, 2017 in comparison to the previous year. During the year ended December 31, 2017, the Company granted 6,845,000 stock options to directors, officers, employees and others versus 6,790,000 in the same period of the previous year. The weighted average grant date fair value of options granted in the year ended December 31, 2017 was $0.27 (2016 - $0.15).

During the year ended December 31, 2017, the Company recorded other income of $866,030 related to the amortization of the flow-through share premium liability of $2,341,464 recognized in connection with the Company's June and July 2017 private placements (see section 1.6/1.7). Flow-through share premium amortization during the year ended December 31, 2016 was $127,230 in relation to a total flow-through share premium liability of $127,230 recognized in connection with the Company's May 2016 non-brokered private placement. Flow-through eligible Canadian exploration and evaluation expenditures incurred during the year ended December 31, 2017 were $2,219,201 (2016 - $508,960).

1.5 Summary of quarterly results

	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016	September 30 2016	June 30 2016	March 31 2016
Exploration and evaluation expenses	$ 2,158,728	$ 1,144,705	$ 2,328,564	$ 2,896,556	$ 833,356	$ 667,100	$ 327,092	$ 8,895
General and administrative	1,536,123	1,478,761	1,008,109	531,698	497,017	372,406	215,555	110,384
Finance (income)	(16,570)	(7,785)	(2,540)	(4,199)	(90)	-	-	(1,314)
Finance expense	1,136	1,015	1,214	815	906	120,395	698	455
Amortization of flow-through share premium	(395,415)	(452,406)	(18,209)	-	-	(74,469)	(52,761)	-
Loss on sale of marketable securities	-	-	-	106,767	-	-	-	-
Loss for the period	3,284,002	2,164,290	3,317,138	3,531,637	1,331,189	1,085,432	490,584	118,420
Other comprehensive (income) loss	-	-	-	(208,918)	5,400	(37,800)	(32,400)	-
Total comprehensive loss	$ 3,284,002	$ 2,164,290	$ 3,317,138	$ 3,322,719	$ 1,336,589	$ 1,047,632	$ 458,184	$ 118,420
Basic and diluted loss per common share	$ 0.02	$ 0.01	$ 0.02	$ 0.02	$ 0.01	$ 0.01	$ 0.01	$ 0.00
Weighted average number of common shares	181,689,784	176,119,288	144,165,470	133,335,441	106,692,531	89,330,425	75,022,635	69,511,617

The changes in the Company's financial results on a quarter-by-quarter basis are due primarily to fluctuations in the level of activity of Company's exploration programs and administration. The Company is a mineral exploration company and does not earn any revenue. The Company's current mineral property portfolio consists of the Douay exploration-stage project in Quebec, Canada.

The following amounts have been reclassified in the respective quarterly periods.

	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016	September 30 2016	June 30 2016	March 31 2016
Amounts reclassified from general and administrative to exploration and evaluation expenses	$ -	$ 91,369	$ 36,704	$ 55,346	$ 47,467	$ -	$ -	$ -

1.6 and 1.7 Financial position, liquidity and capital resources

	December 31, 2017	December 31, 2016
Cash and cash equivalents	$5,905,140	$4,734,942
Current assets	6,736,118	5,308,624
Total assets	7,002,726	5,309,080
Current liabilities	3,758,061	978,812
Non-current liabilities	126,974	-

As at December 31, 2017, the Company had cash and cash equivalents of $5,905,140 (December 31, 2016 - $4,734,942) and working capital of $2,978,057 (December 31, 2016 - $4,329,812). Current liabilities that are to be settled in cash as at December 31, 2017 include accounts payable and accrued liabilities of $1,804,355, which have primarily been incurred in connection with the work program at Douay and increase general and administrative costs.

The Company has received mineral exploration tax credit payments ("METC") from Revenu Quebec with respect to the 2011 to 2015 tax years and these tax years are currently under audit by Revenu Quebec. No METC payment has been received from Revenu Quebec for the 2016 and 2017 tax years. The 2016 METC claim of approximately $465,000 is under audit by Revenu Quebec and the 2017 METC claim is approximately $2,157,000.

Revenu Quebec has disallowed certain amounts that the Company believes are claimable qualifying expenditures. The Company intends to defend its filing positions and the Company has filed notice of objections with Revenu Quebec's Appeals Division for each of the years 2011 to 2014.

During the year ended December 31, 2017, the Company expended net cash of $10,718,850 in operating activities compared to $2,757,389 during the prior year.

The Company expended $84,532 in investing activities during the year ended December 31, 2017 predominantly on property and equipment with an offset from the proceeds on sale of marketable securities.

During the year ended December 31, 2017, the Company raised net proceeds of $11,973,580 in financing activities through the issuance of common shares compared to $7,120,431 in the prior year.

Subsequent to December 31, 2017, the Company has entered into sub-lease agreements for portions of its office space in Toronto and Vancouver that will reduce its rental expense moving forward.

On April 12, 2018, the Company announced the closing of a non-brokered private placement for aggregate proceeds of $3,950,000 through the issuance of 16,458,334 common shares at a price of $0.24 per share. In connection with the private placement administrative fees of $187,000 were paid to certain participants. The Company intends on using the net proceeds from the private placement to continue advancing the Douay Gold Project and for general corporate purposes.

At December 31, 2017, the Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position and ability to pursue additional sources of financing, including equity placements. However, the Company currently has no source of operating cash flow, and has no assurance that additional funding will be available to it for additional exploration programs at its property, or to enable the Company to fulfill its obligations under any applicable agreements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore its property and, ultimately, to achieve profitable operations. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration of the Company's property and the possible loss of title to such property. As such, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Common shares issued

June and July 2017 Private Placements

On June 26, 2017, the Company closed the first tranche of a private placement of 7,536,501 flow-through units at a price of $0.41 per unit for gross proceeds of $3,089,965 and 16,400,000 common share units at a price of $0.25 per unit for gross proceeds of $4,100,000. On July 14, 2017, the Company closed the final tranche of its private placement of 7,097,649 flow-through units at a price of $0.41 per unit for gross proceeds of $2,910,036. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each common share unit consisted of one non flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.40 per share until June 26, 2022 and July 14, 2022, respectively. In connection with the placement, finders' fees of $186,002 were incurred.

The fair value of the 31,034,150 warrants was estimated using the Black-Scholes option pricing model to be $4,767,987. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 151% which is based on historical volatility; estimated risk-free interest rate - 1.12%; and an expected average life of 5 years.

	Number of common shares	$
Private placement – flow through units	14,634,150	6,000,001
Private placement – common share units	16,400,000	4,100,000
Share issuance costs	-	(259,355)
Subtotal	31,034,150	9,840,646
Valuation of warrants issued	-	(4,767,987)
Flow-through share premium liability	-	(2,341,464)
	31,034,150	2,731,195

The intended use of the net proceeds of $9,840,646 is $3,840,645 towards general working capital and $6,000,001 towards eligible exploration expenditures at the Douay Gold Project. As at December 31, 2017 the Company had incurred $1,716,305 of general working capital expenditure and $2,219,201 in eligible exploration expenditures with respect to the funds raised in the private placements.

In the future, the Company will have capital requirements in excess of its currently available resources and will be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

1.8 Off-balance sheet arrangements

As at December 31, 2017, the Company had no off-balance sheet arrangements.

1.9 Transactions with related parties

During the period, compensation to key management personnel was as follows:

	2017	2016
	$	$
Salaries and benefits	449,609	195,000
Share-based payments	791,900	272,019
Termination payments	260,000	-
	1,501,509	467,019

1.10 Fourth Quarter

During the three months ended December 31, 2017, the Company reported a loss for the period of $3,284,002 and loss per share of $0.02 compared to a loss for the period of $1,331,189 and loss per share of $0.01, respectively, for the three months ended December 31, 2016. The $1,952,813 increase in loss for the period is driven by a $1,325,372 increase in exploration and evaluation expenses, $1,039,106 increase in general and administrative expenses offset by $395,415 in amortization of the flow-through liability premium.

Exploration and evaluation expenses has increased in the current period due to the increased activity in 2017 work on the re-logging of core and steps being taken to prepare the site for the 2018 exploration program.

Costs in 2016 were lower as the Company shutdown operations to conserve its remaining cash. After raising approximately $6 million via a private placement in late 2016, the Company started to expand its office and administration team in order to manage the 2017 and beyond exploration programs. Several management additions and changes have occurred in 2017 leading to salaries and benefits being higher in 2017. The Company moved into its new Toronto office in June 2017 leading to higher rental costs and in December 2017 the Company opened a Vancouver office. Professional fees have increased due to increased legal costs associated with maintaining the Company's public listing.

Share-based compensation expense increased by $297,357 during the three months ended December 31, 2017 in comparison to the same period in the previous year. During the three months ended December 31, 2017, the Company granted 1,270,000 stock options to directors, officers, employees and others versus 5,590,000 in the same period of the previous year. The weighted average grant date fair value of options granted in the three months ended December 31, 2017 was $0.25 (2016 - $0.14).

During the three months ended December 31, 2017, the Company recorded other income of $395,415 related to the amortization of the flow-through share premium liability of $2,341,464 recognized in connection with the Company's June and July 2017 private placements (see section 1.6/1.7). Flow-through share premium amortization during the three months ended December 31, 2016 was $nil. Flow-through eligible Canadian exploration and evaluation expenditures incurred during the three months ended December 31, 2017 were $1,013,250 compared to $nil for the same period in the three months ended December 31, 2016.

1.11 Subsequent events

Refer to sections 1.6 and 1.7.

1.12 Proposed transactions

None

1.13 Critical accounting estimates

The required disclosure is provided in Note 2 in the notes to the financial statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.14 Changes in accounting policies including initial adoption

The required disclosure is provided in Note 3 in the notes to the financial statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.15 Financial instruments and other instruments

As at December 31, 2017, the Company's financial instruments consist of cash and cash equivalents, deposits and accounts payables and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term to maturity.

The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at December 31, 2017 no financial instruments were measured at fair value. As at December 31, 2016 the only financial instruments measured at fair value were the Company's marketable securities, which were classified under level 1 of the fair value hierarchy.

No transfer occurred between the levels during the year.

The Company's financial instruments are exposed to credit risk, liquidity risk, and market risks, which include currency risk and interest rate risk.

(a) Credit risk

Credit risk is the risk that a third party fails to discharge its obligations under the terms of the financial contract and causes a financial loss for the Company. The Company's credit risk is attributable to its cash and cash equivalents and deposits. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalent balances in highly rated Canadian financial institutions. The Company considers the risk of loss associated with cash and cash equivalents to be low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within twelve months of the statement of financial position date.

(c) Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risks to which the Company is exposed are as follows:

(i) Foreign currency risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency (the Canadian dollar). As at December 31, 2017 and 2016 and throughout 2017 and 2016, the Company held immaterial balances in foreign currencies. Foreign currency risk is considered to be minimal.

(ii) Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's exposure to interest rate risks is limited to potential increases or decreases on the interest rate offered on cash and cash equivalents held at chartered Canadian financial institutions, which would result in higher or lower relative interest income. This risk is considered to be minimal.

1.16 Other requirements

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

1.16.1 Capital structure

As at the date of this report, the Company had 200,135,472 common shares, 14,687,500 common shares issuable under stock options and 76,208,536 common shares issuable under share purchase warrants. The fully diluted outstanding share count is 291,031,508.

1.16.2 Disclosure controls and procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and that required information is gathered and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

1.16.3 Risk Factors

The securities of the Company are highly speculative and subject to a number of risks. A prospective investor or other person reviewing the Company for a prospective investor should not consider an investment in the Company unless the investor is capable of sustaining an economic loss of their entire investment. The risks associated with the Company's business include:

Mineral Exploration and Development

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. The Douay Gold Project is currently in the early exploration stage. While discovery of a mineral deposit may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, financing costs, the cyclical nature of commodity prices, and government regulations (including those related to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on the Company.

The Company's operations are also subject to all of the hazards and risks normally encountered in mineral exploration and development. These risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action.

Financing Risks
The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill the Company's existing obligations or for further exploration and development on acceptable terms or at all. The Company does not generate revenue or cash flow and there can be no assurance that the Company will be able to obtain sufficient financing in the future on terms acceptable to it. The ability of the Company to arrange additional financing in the future will depend, in part, on prevailing capital market conditions as well as the business performance of the Company. The most likely source of future financing presently available to the Company is through the sale of additional Common Shares, which would mean that each existing shareholder would own a smaller percentage of the Common Shares then outstanding. Also, the Company may issue or grant warrants or options in the future pursuant to which additional Common Shares may be issued. Exercise of such warrants or options will result in dilution of equity ownership to the Company's existing shareholders.

Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in the Douay Gold Project or to reduce or terminate its operations.

Uncertainty in the Estimation of Mineral Resources
The Company has delineated mineral resources at the Douay Gold Project and has included mineral resource estimates in this AIF in accordance with NI 43-101. Mineral resources are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that assumptions on recovery will be realized. Investors are cautioned not to assume that any part or all of those mineral deposits classified as a mineral resource will ever be converted into mineral reserves or that that the anticipated tonnages and grades will be achieved." Estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Further, the bulk of these resource estimates are classified as "inferred mineral resources." Inferred mineral resources have a great amount of uncertainty as to their existence, and economic and legal feasibility. There can be no assurance that the Company will be able to increase the confidence level of all or any of the inferred resources. If the Company's actual mineral resources are less than current estimates or if the Company fails to develop its resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected.

Price of Gold
The ability of the Company to develop the Douay Gold Project will be significantly affected by changes in the market price of gold. The price of gold is affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, the world supply of and demand for gold, as well as the stability of currency exchange rates can all cause fluctuations in price. Such external economic factors are influenced by changes in international investment patterns and monetary systems as well as various political developments.

A drop in the price of gold would adversely impact the Company's future prospects. The price of gold has historically fluctuated widely and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable. In addition, sustained low gold prices could result in a halt or delay the exploration and development of the Company's properties; and reduce the potential for financings required for further exploration and development activities. These developments could have a material adverse impact on the Company's financial performance and results of operations.

Potential Profitability and Factors Beyond the Control of the Company
The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs may fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Environmental Risks and Hazards
All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

Title Risks
While the Company has investigated title to the Douay Gold Project, there is a risk that title to the property will be challenged or impugned. The property may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its rights, title, estate and interest in and to the properties, when and if earned, to which the title defects relate.

First Nations
The legal nature of first nation land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the Douay Gold Project cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of first nation rights in the area in which the Douay Gold Project is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Pursuant to section 35 of The Constitution Act of 1982, the Federal and Provincial Crowns have a duty to consult Aboriginal peoples and, in some circumstances, a duty to accommodate them. When development is proposed in an area to which a first nation group asserts Aboriginal rights and titles, and a credible claim to such rights and titles has been made, a developer may be required by the Crown to conduct consultations with Aboriginal groups which may be affected by the project and, in some circumstances, accommodate them. The Company has signed a letter of collaboration with the Abitibiwinni First Nation, whose traditional territory encompasses the Douay Gold Project. The Company's relations with the nation are positive, and it is the Company's belief that there is broad support for future mineral development and production operations that would support the local economy. Nevertheless, the Company has not yet concluded with them any definitive agreement in respect of future development or production.

Competition
The mineral exploration business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on the Company's ability to develop of the properties, but also on the Company's ability to select and acquire suitable prospects for mineral exploration or development. In addition, the mining industry periodically faces a shortage of equipment and skilled personnel and there can be intense competition for experienced geologists, engineers, field personnel and other contractors. There is no assurance that the Company will be able to compete successfully with others in acquiring prospective properties, equipment or personnel.

Dependence on a Single Project
The only project of the Company is the Douay Gold Project. In the absence of additional mineral projects, the Company is solely dependent on the success of the Douay Gold Project for its business success. Should the Company suffer adverse consequences in the progression of the Douay Gold Project the Company's business and financial position will be significantly adversely affected.

Infrastructure
Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants for capital and operating costs. The lack of availability on

acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Douay Gold Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Douay Gold Project will be commenced or completed on a timely basis, if at all. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect our exploration and development activities.

Government Regulations
The Company's current or future operations, including exploration and development activities and the commencement of commercial production, require licenses, permits or other approvals from various federal, provincial and/or local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, aboriginal land claims and other matters. The Company believes that it is in substantial compliance with all material laws and regulations which currently apply to the Company's activities. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which the Company may require for the conduct of the Company's current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Douay Gold Project. Possible changes to mineral tax legislation and, regulations could cause additional expenses, capital expenditures, restrictions and delay on the Company's planned exploration and operations, the extent of which cannot be predicted. 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 may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Price Volatility and Lack of Active Market
The market price of a publicly traded stock, especially a junior resource issuer such as the Company, is affected by many variables in addition to those directly related to exploration successes or failures. Such factors include the general condition of markets for resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public markets for the stock. As a result, the market price of the Common Shares is highly volatile and there can be limited liquidity in the market. Therefore, holding Common Shares involves a high degree of risk and investors could suffer significant losses if the Company's Common Shares are depressed or illiquid when an investor seeks liquidity.

Key Executives
The Company is dependent on the services and technical expertise of several key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of any of these individuals may adversely affect the Company's ability to attract and retain additional highly skilled employees and may impact its business and future operations.

Internal Controls
Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company is undertaking to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, however, given the size of the Company and its limited resources, these controls may be inadequate to identify all errors.

Conflicts of Interest
Certain of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors disclose conflicts of interest and abstain from voting on any matter where there is a conflict of interest.

The Company will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Surface Rights
The Company does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Company's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Company's future operations.

Uninsured Risks
The Company's business is subject to a number of risks and hazards including adverse environmental effects and technical difficulties due to unusual or unexpected geologic formations.

Such risks could result in personal injury, environmental damage, damage to and destruction of the facilities, delays in exploration and development and liability. For some of these risks, the Company maintains insurance to protect against these losses at levels consistent with industry practice. However, the Company may not be able to maintain current levels of insurance, particularly if there is a significant increase in the cost of premiums. Insurance against environmental risks is generally expensive and may not continue to be available for the Company and other companies in the industry. The Company's current policies may not cover all losses. The Company's existing policies may not be sufficient to cover all liabilities arising under environmental law or relating to hazardous substances. Moreover, in the event that the Company is unable to fully pay for the cost of remedying an environmental problem, the Company might be required to suspend or significantly curtail its activities or enter into other interim compliance measures.