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

FOR THE THREE MONTHS ENDED
MARCH 31, 2018

Dated: May 30, 2018

HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND THE PERIOD UP TO MAY 30, 2018

Exploration highlights

- On May 14, 2018, May 2, 2018 and April 23, 2018, the Company announced drill results from the central Porphyry Zone and the new Nika Zone, with 158.2m of 1.25 g/t Au including 52m of 3.53 g/t Au at the central Porphyry Zone, as well as 104m of 0.44 g/t Au, including 17m of 1.08 g/t Au, and 50m of 1.77g/t Au at the new Nika Zone.

- 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.

Corporate highlights

- On May 28, 2018, the Company announced a non-brokered flow through private placement of up to 8,333,333 common shares at a price of $0.30 per common share for gross proceeds of up to $2.5 million.

- 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.

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 March 31, 2018 and for the three months then ended. This MD&A should be read in conjunction with the condensed interim financial statements of the Company and related notes thereto as at and for the three months ended March 31, 2018 and 2017. The condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company's most recent audited annual financial statements for the year ended December 31, 2017. All financial information has been prepared in accordance with 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 May 30, 2018 and the effective date of this MD&A is May 30, 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.

Readers should refer to the risks discussed in the Company's MD&A for the year ended December 31, 2017 and subsequent continuous disclosure filings with the Canadian Securities Administrators available at www.sedar.com.

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. 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")

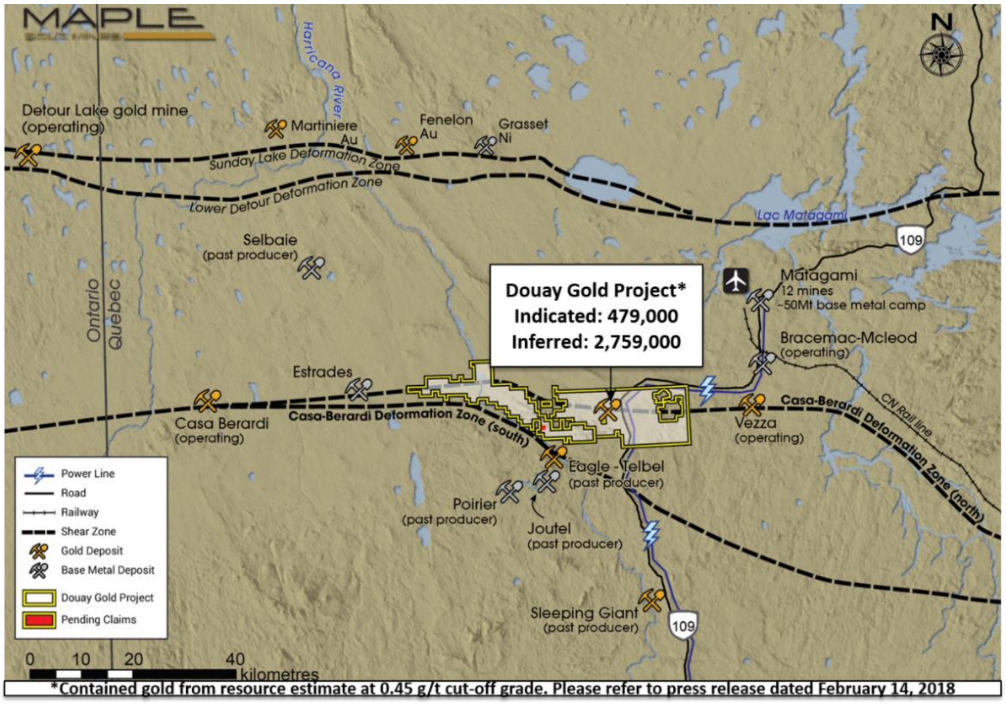

Figure 1 – regional map showing the location of the Douay project and past and current mineral operations.

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 region) 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 706 claims covering approximately 377 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 674 mostly contiguous claims totalling approximately 365 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.

There 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.

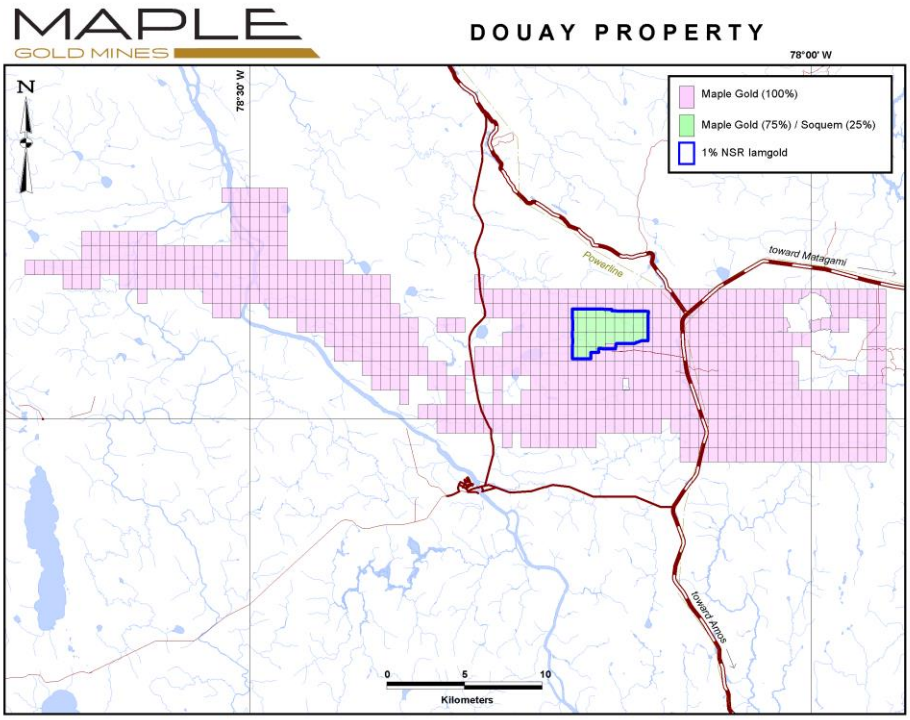

Figure 2 – Douay Project ownership map

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. 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, as well as from the winter 2018 drilling 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 8 diamond drills and 1 RC drill. This program has now been completed, with a total of 21,122 metres of diamond drilling in 52 holes, including 2,869 metres (7 holes) drilled in the NE Syenite greenfields target area, and a further 1,991 metres (5 holes) on other greenfields targets west of the resource area. A single RC rig was also active on the western and central part of the property; drilling 1,484 metres (57 short holes). Total drilling for the 2018 winter drill program was 22,606 metres of which 29% was on greenfields targets and 71% within and surrounding the resource area.

Historical Drill-Core Re-logging & Assaying Program

The Company is very fortunate to have more than 220,000 metres of historical 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. Re-assaying will continue during 2018, where required, to better support the current block model.

Results from the 2018 winter drilling program, which are still being received, will help identify mineralization vectors and substantively improve geological and geostatistical modelling of the Douay Mineral Resources. Sample assaying will continue to be completed by ALS Laboratory Group facilities.

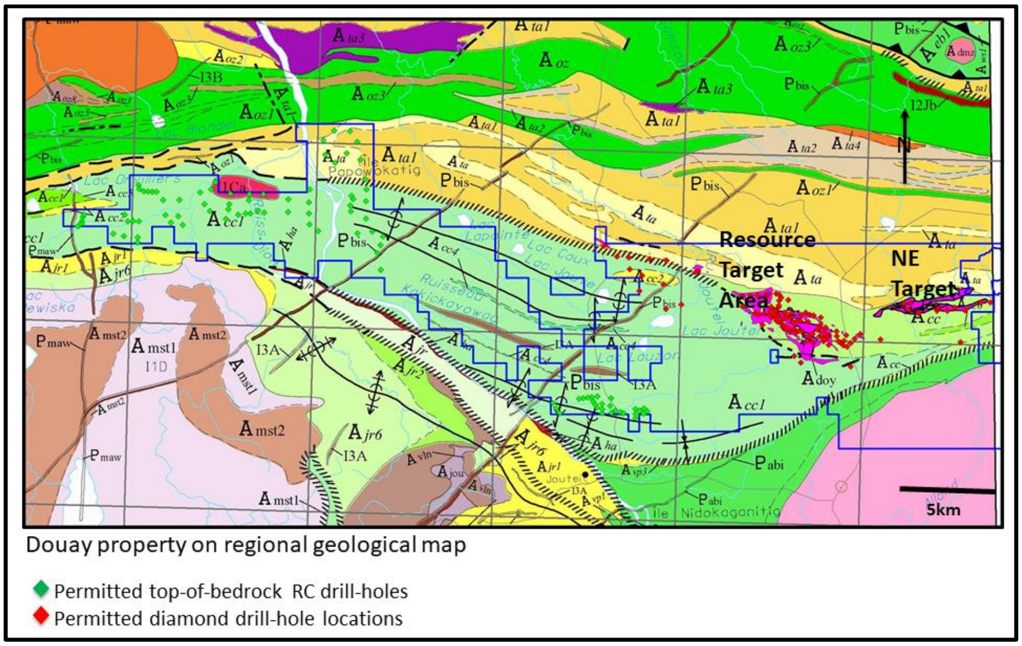

Figure 3 – General geology and permitted drill sites for the Douay Property

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, and a limited ground magnetic survey may be completed in the eastern part of the property.

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. Part of this work was recently completed with one specialized RC drill rig, 1,484 metres (57 short holes).

In addition, a property-wide remote spectral geology survey was completed, and results are being used in combination with regional magnetic, property-scale radiometric and outcrops maps to define high priority target areas for initial field review, which is to start in late May 2018. 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 and this program was completed on May 2, 2018.

1.2.3 Overall program analysis

During the three months ended March 31, 2018 and 2017, the Company incurred $3,998,555 and $2,896,556, respectively, in exploration and evaluation expenses as detailed in the table below:

		March 31 2018		March 31 2017
Acquisition	$	-	$	357,500
Camp set up, camp costs and field supplies		884,931		207,744
Drilling, core assaying and logging		2,259,107		1,985,019
Equipment rental and fuel		127,137		-
Engineering		35,109		30,660
Environmental		8,667		36,768
Geology		117,103		72,990
Geophysics		-		56,111
Licences and permits		20,443		33,136
Other exploration support costs		57,917		7,105
Salaries and benefits		462,409		70,427
Share based payments		25,732		39,096
Total expenditures in the period		3,998,555		2,896,556
Opening accumulated expenses		39,145,599		30,569,579
Closing accumulated expenses	$	43,144,154	$	33,466,135

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 Mineral Resource Estimate For The Douay Gold Project, Douay Township, Quebec, Canada" with an effective date of February 9, 2018 (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

Not required for an interim MD&A.

1.4 Results of operations

Three months ended March 31, 2018 and 2017

During the three months ended March 31, 2018, the Company reported a loss for the period of $3,668,654 and loss per share of $0.02 compared to a loss for the period of $3,531,637 and loss per share of $0.02, respectively, for the three months ended March 31, 2017. The $137,017 increase in loss for the period is driven by a $1,101,999 increase in exploration and evaluation expenses (see section 1.2.3), $616,397 increase in general and administrative expenses offset by $1,475,434 in amortization of the flow-through liability premium.

Exploration and evaluation expenses has increased during the three months ended March 31, 2018 due to the 2018 winter drill program (see section 1.2.2) and related site and camp preparation activities. During the three months ended March 31, 2018, the Company completed the installation of a new 75-man camp, which now will allow the Company to extend the time-window of its drilling campaigns in addition to increasing drill manpower to mitigate operational delays due to warm weather periods. As at March 31, 2018 the Company had completed 55% of the 2018 winter drill program.

General and administrative expenditures increased during the three months ended March 31, 2018 due to the Company's expansion of its office and administration team that commenced in the second quarter of 2017 and was completed in the fourth quarter of 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. The Company has entered into sub-lease agreements for portions of its office space in Toronto and Vancouver that will reduce its rental expense in future periods.

During the three months ended March 31, 2018, the Company granted 300,000 stock options to directors, officers, employees and others versus 400,000 in the comparative period in the prior year. Share-based compensation expense increased by $120,858 during the three months ended March 31, 2018 compared to the prior year period due to the amortization of option grants with higher fair values that were granted during the year ended December 31, 2017. The weighted average grant date fair value of options granted in the three months ended March 31, 2018 was $0.18 (2017 - $0.39).

During the three months ended March 31, 2018, the Company recorded other income of $1,475,434 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). As of March 31, 2018, $3,872,819 of eligible exploration expenditures has been incurred and paid and an additional $2,127,182 of eligible exploration expenditures has been incurred and accrued. There was no flow-through share premium outstanding during the comparative period of the prior year.

1.5 Summary of quarterly results

	March 31 2018	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016	September 30 2016	June 30 2016
Exploration and evaluation	$ 3,998,555	$ 2,158,728	$ 1,144,705	$ 2,328,564	$ 2,896,556	$ 833,356	$ 667,100	$ 327,092
General and administrative	1,148,096	1,536,123	1,478,761	1,008,109	531,698	497,017	372,406	215,555
Finance (income)	(18,830)	(16,570)	(7,785)	(2,540)	(4,199)	(90)	-	-
Finance expense	939	1,136	1,015	1,214	815	906	120,395	698
Amortization of flow-through share premium	(1,475,434)	(395,415)	(452,406)	(18,209)	-	-	(74,469)	(52,761)
Loss on disposition of property and equipment	15,328	-	-	-	-	-	-	-
Loss on sale of marketable securities	-	-	-	-	106,767	-	-	-
Loss for the period	3,668,654	3,284,002	2,164,290	3,317,138	3,531,637	1,331,189	1,085,432	490,584
Other comprehensive (income) loss	-	-	-	-	(208,918)	5,400	(37,800)	(32,400)
Total comprehensive loss	$ 3,668,654	$ 3,284,002	$ 2,164,290	$ 3,317,138	$ 3,322,719	$ 1,336,589	$ 1,047,632	$ 458,184
Basic and diluted loss per common share	$ 0.02	$ 0.02	$ 0.01	$ 0.02	$ 0.02	$ 0.01	$ 0.01	$ 0.01
Weighted average number of common shares	182,975,267	181,689,784	176,119,288	144,165,470	133,335,441	106,692,531	89,330,425	75,022,635

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.

1.6 and 1.7 Financial position, liquidity and capital resources

	March 31 2018	December 31 2017
Cash and cash equivalents	$ 3,253,634	$ 5,095,140
Current assets	4,678,455	6,736,118
Total assets	4,942,546	7,002,726
Current liabilities	4,877,757	3,758,061
Non-current liabilities	139,336	126,974

As at March 31, 2018, the Company had cash and cash equivalents of $3,253,634 (December 31, 2017 - $5,905,140) and working capital deficiency of $199,302 (December 31, 2017 - $2,978,057). Current liabilities that are to be settled in cash as at March 31, 2018 include accounts payable and accrued liabilities of $4,466,983, which have primarily been incurred in connection with the work program at Douay.

The Company has received mineral exploration tax credit payments ("METC") from Revenu Quebec with respect to the 2011 to 2014 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 three months ended March 31, 2018, the Company used net cash of $2,850,845 in operating activities compared to $3,312,353 during the comparative period of the prior year.

The Company used net cash of $31,269 in investing activities during the three months ended March 31, 2018 on property and equipment additions compared to generating net cash inflow of $169,414 during the comparative period of the prior year from the proceeds on sale of marketable securities of $215,551 offset by $46,137 offset on property and equipment additions.

During the three months ended March 31, 2018, the Company generated net proceeds of $230,608 from financing activities through the issuance of shares on the exercise of options and warrants compared to generating net proceeds of $861,794 in the comparative period of the prior year through the issuance of shares on the exercise of warrants.

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 May 28, 2018, the Company announced a non-brokered flow through private placement of up to 8,333,333 common shares at a price of $0.30 per common share for gross proceeds of up to $2.5 million. The Company will use the gross proceeds for eligible expenditures on the Douay Gold Project.

At March 31, 2018, 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 March 31, 2018 the Company had incurred $2,714,193 of general working capital expenditure and $3,872,819 of eligible exploration expenditures has been incurred and paid and an additional $2,127,182 of eligible exploration expenditures has been incurred and accrued 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 March 31, 2018, 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:

	March 31 2018	March 31 2017
Salaries and benefits	$ 138,500	$ 73,999
Share-based payments	178,622	68,618
	$ 317,122	$ 142,617

1.10 Fourth Quarter
Not applicable.

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 interim 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 2 in the notes to the interim 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 March 31, 2018, 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 Company's financial instruments are exposed to certain financial risks including, credit risk, currency risks, liquidity risk, interest rate risk and capital risk management. Details of each risk are laid out in the notes to the Company's annual audited financial statements. Management has determined that these risks, individually and in aggregate, are immaterial to the Company.

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.