

## General

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Eastmain Resources Inc. ("Eastmain", the "Company", "our" or "we") constitutes management's review of the factors that affected the Company's consolidated financial and operating performance for the three months ended January 31, 2017. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended January 31, 2017 together with the notes thereto, which were prepared in accordance with *International Financial Reporting Standards ("IFRS")*. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. All amounts in the unaudited condensed interim consolidated financial statements and this discussion are expressed in Canadian dollars, unless otherwise stated. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at March 9, 2017 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Eastmain common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Financial Statements are available at [www.sedar.com](http://www.sedar.com) and the Company's website [www.eastmain.com](http://www.eastmain.com).

All statements, other than historical facts, included herein, including without limitation, statements regarding potential mineralization, resources, exploration results, the ability of the Company to continue as a going concern, and future plans and objectives of the Company are forward-looking statements and involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated. Factors which may cause actual results and events to differ materially from those anticipated include, but are not limited to: actual results of current mineral exploration and development; availability of financing; changes in applicable regulations; mineral value; equity market fluctuations; and cost and supply of materials. Other risk factors may include: general business, economic, competitive, political and social uncertainties; reliability of resource estimates; actual results of reclamation activities; conclusions of economic evaluations; fluctuations in the value of Canadian and United States dollars relative to each other; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of gold and other metal prices; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; and the factors discussed in the section entitled "Risk Factors" of the Annual Information Form filed under the Company's profile on [www.sedar.com](http://www.sedar.com), as well as "Risks and Uncertainties" below. See "Cautionary Note Regarding Forward-Looking Statements" below.

This MD&A is dated March 9, 2017.

## Company Overview

The Company, incorporated under the laws of Ontario, and its wholly-owned subsidiary, Eastmain Mines Inc. are engaged in the exploration of metallic mineral resource properties within Canada.

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The Company's primary focus is exploration for precious metals in the Eastmain/Opinaca areas of James Bay, Québec, a relatively under-explored region that comprises several Archean greenstone belts – rock assemblages responsible for production of most of the world's historic gold supplies. The James Bay region is one of North America's newest gold districts. Here, the Company holds a 100% interest in two high-grade gold deposits – Eau Claire and the Eastmain Mine – and holds approximately a 36.72% interest in Eleonore South, a mineral exploration joint venture, located immediately south of Les Mines Opinaca Ltée's, a wholly-owned subsidiary of Goldcorp Inc. ("Goldcorp"), Éléonore gold mine. The Company also holds several prospective exploration properties covering approximately 1,300 km<sup>2</sup> of this new and prospective mining district.

### **Three Months Ended January 31, 2017 Highlights**

- On November 15, 2016, 25,000 stock options with an exercise price of \$0.38 and expiry date of June 2025 were exercised for cash proceeds of \$9,500.
- On January 2, 2017, 740,000 share purchase options with an exercise price of \$0.51 and expiry date of January 2, 2022 were issued to executives of the Company. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary.
- The trading price of the common shares of the Company on the Toronto Stock Exchange decreased approximately 32% over the trailing 3-month period to January 31, 2017.

### **Exploration and Evaluation Activities**

Eastmain owns a 100% interest in 10 mineral properties and a 36.7% interest in one mineral property as summarized below. During the 2016, the Company completed exploration activities on the Clearwater, Eastmain Mine, Éléonore South and Ruby Hill (East and West) properties.

All claims on all properties have been renewed or are otherwise in good standing into 2018 except; a portion of the Lac Hudson property which requires additional exploration work to qualify for renewal in 2017 and; the Road King property which claims have lapsed naturally through early 2017.

#### **Eastmain Resources Properties in good standing in 2017**

<b>Property</b>	<b>Claim units</b>	<b>Hectares</b>
Clearwater (Eau Claire Deposit)	385	20,068
Eastmain Mine	152	8,014
Éléonore South JV	282	14,760
Lac Clarkie	597	31,473
Lac Elmer	198	10,433
Lac Hudson	187	9,682
Lac Lessard	47	2,476
Lidge	36	1,901
Radisson	207	10,698
Reservoir	156	8,098
Ruby Hill (East and West)	268	14,485
<b>Total</b>	<b>2,515</b>	<b>132,088</b>

#### **Key Projects**

##### ***Clearwater Project***

Eastmain owns a 100% interest in the Clearwater Project, host to the Eau Claire deposit, one of five known gold deposits in the James Bay region of Québec. The largest of these deposits is the Éléonore Gold Mine held by Les Mines Opinaca Ltée, a wholly-owned subsidiary of Goldcorp, which is located only 45 km due north of Clearwater and has a 2017 production forecast of 315,000 ounces of gold.

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With ready access and nearby infrastructure in the form of permanent roads and power, Clearwater is superbly located for potential future development. The project is situated approximately 800 km north of Montréal, 80 km north of a commercial airport at Nemiscau and less than 20 km northeast of Hydro Québec's EM-1 hydro-electric complex. The Eau Claire gold deposit is situated at the western end of the property, 2.5 km from a Hydro Québec service road. A road accessible exploration base camp is located 5 km from the permanent road network. Drill roads access all areas of the Eau Claire deposit.

The Clearwater Project covers about 200 km<sup>2</sup> of Archean geology similar to that underlying many of the major mining camps within the Canadian Shield. The most prevalent Archean gold deposits are associated with deep-seated regional structural breaks and deformation zones often localized by the interaction of these structures with large intrusive bodies. Most gold production in these camps is derived from structurally-controlled, vein-hosted deposits in deformed and altered volcanic sequences.

The Company's objective is to establish Eau Claire as a high-grade gold resource that will support a profitable, stand-alone mining operation with a minimum ten-year mine life, based on prevailing metal prices. Over the last few years, Eastmain has focused on expanding and defining high-grade gold resources potentially mineable by open pit and underground methods, and the discovery of additional resources elsewhere on the property. To achieve the Company's objectives, Eastmain is completing an \$8.8 million (63,300 m) drilling program at the Clearwater Property with a primary focus on the main Eau Claire deposit. Approximately 117 holes (37,631 m) of the Eau Claire drilling program have been completed as at January 31<sup>st</sup>, 2017. Drilling is expected to continue into the first half of calendar 2017. The results of this program will be used to improve the drill database at Eau Claire and support a mineral resource update to be commissioned for mid-year.

#### **Eau Claire Gold Deposit**

Located within the Clearwater Project, the Eau Claire gold deposit is situated approximately one km north of a regional structural break which extends east-west for more than 100 km. It is a structurally-controlled gold deposit consisting of multiple en-echelon, sheeted quartz-tourmaline veins and altered rock, forming two distinctly oriented vein sets known as the 450 West and 850 West Zones. These sectors coincide with major structural shear zones, near a mafic/felsic volcanoclastic rock contact, to form a crescent-shaped body covering a footprint approximately 100 m wide, extending for about 1.8 km in lateral extent and to a vertical depth in excess of 900 m. The 450 West and 850 West Zones outcrop on topographic highs and surface stripping has exposed several veins within the deposit. The 450 West Zone vein set is interpreted to be oriented at N 85°E / 45° to 60°S, plunging steeply to the southeast, sub-parallel to an F2 fold axis. The 850 West Zone vein set is oriented N 60° E, dipping sub-vertically and plunging gently to the southwest.

On June 11, 2015 Eastmain published a technical report for the Eau Claire deposit entitled "Technical Report for the Eau Claire Gold Deposit, Clearwater Project, Québec". The report was prepared by SRK Consulting (Canada) Inc. with an effective date of April 27, 2015. The Eau Claire mineral resource statement describes a measured and indicated ("M&I") mineral resource of 7.2 Mt at an average grade of 4.09 g/t Au containing 951,000 ozs of gold. An additional 5.1 Mt at an average grade of 3.88 g/t Au, are classified as inferred mineral resources, containing 633,000 ozs of gold. The report is available in the Projects section of the Company's website and on SEDAR dated June 11, 2015. Please refer to "Scientific & Technical Disclosure" for further details about the report.

*Mineral resources are not mineral reserves and as such have not demonstrated economic viability. Mineral resources are only a preliminary estimation, through exploration and sampling, of a concentration of material of intrinsic economic interest, which has been identified in such form, grade, quality and quantity that may have reasonable prospects for eventual economic extraction. Mineral resources are the first step in the process to establishing potential economic viability. Both the quality and quantity of mineral resources may subsequently be re-defined and re-estimated, through additional consideration and the application of several de-risking modifying factors during preliminary economic assessment, to potentially mineable mineral resources.*

Since publication of the technical report, a 29 hole, 12,837 m drill program was completed at the Eau Claire deposit in 2015. In August 2016, a 63,300 m drill program was initiated at the Clearwater Project. At Eau Claire, 49,500 m of the program are planned to improve mineral resource classification and confidence in the 450W Zone by infill drilling at shallow, pit-accessible depths (surface to 150 m depth); infill of deeper

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veins (150 - 400 m depth); and testing strike extensions of near surface, high-grade veins within the known mineral resource and beyond the deposit's current limits. Approximately 6,200 m are planned to expand the 850W Zone mineralization as a result of step-out drilling and the infilling of inferred domains.

In addition, up to 7,600 m of exploration drilling was allocated to test six additional mineralized zones on the Clearwater Project. This phase of drilling targets near-surface mineralization where grab and trench sampling and limited drilling have reported numerous results ranging from 5 g/t to 30 g/t Au. The Snake Lake and Clovis Lake zones are primary targets located 1.8 km and 3 km east of the Eau Claire deposit.

Drilling completed at the 450W zone in 2015, 2016 and up to January 31<sup>st</sup>, 2017 have not been included in the 2015 technical report. This information, along with drilling to be completed later the first half of 2017, will be incorporated into an updated resource estimate which is expected to be completed during mid-2017. At January 31<sup>st</sup>, 2017, 117 holes have been completed at the 450W zone of the Eau Claire deposit, totaling 37,631 m and 20 drill holes for a total of 4,502 m at Snake Lake. Core samples obtained during the quarter have returned gold assays ranging from below detection (<5 ppb Au) to as high as 54.6 g/t Au over 0.7 m. Listed below are highlights from mineralized veins intersected at the Eau Claire during the 2017 drilling:

**Highlights<sup>(1)</sup> from Q1 2017 Infill Drill Program at Eau Claire**

Drill Hole	From	To	Interval <sup>(1)</sup>	Gold Assay <sup>(2)</sup>	Vertical Depth <sup>(3)</sup>
	(m)	(m)	(m)	(g/t Au)	(m)
ER16-621	265.7	267.2	1.5	20.2	235
	incl. 266.2	266.7	0.5	49.1	
	279.0	281.0	2.0	9.24	247
incl. 279.0	280.0	1.0	16.4		
ER16-629	267.8	269.8	2.0	6.11	232
ER16-632	273.1	277.2	4.1	5.79	256
	incl. 275.1	276.7	1.6	11.9	
ER16-635	349.6	350.3	0.7	16.0	300
ER16-639	344.2	345.2	1.0	12.4	290
ER16-642	336.0	340.4	4.4	4.69	275
	incl. 337.5	338.0	0.5	10.7	
ER16-644	189.0	191.1	2.1	4.82	159
	incl. 190.1	190.6	0.5	11.2	
ER16-645	310.3	318.0	7.7	2.36	245
	incl. 316.3	317.4	1.1	8.14	
	<b>346.2</b>	<b>347.9</b>	<b>1.7</b>	<b>14.6</b>	270
	355.0	356.0	1.0	12.4	278
ER16-646	245.2	250.0	4.8	2.33	200
ER16-649	164.2	165.2	1.0	11.3	126
	169.7	174.1	4.4	4.94	132
	incl. 169.7	170.6	0.7	19.1	
ER16-655	352.9	354.0	1.1	11.5	286
	incl. 353.5	354.0	0.5	20.0	
ER16-659	<b>31.0</b>	<b>33.0</b>	<b>2.0</b>	<b>10.6</b>	24
	incl. 32.0	33.0	1.0	15.5	
ER16-662	<b>354.4</b>	<b>361.5</b>	<b>7.1</b>	<b>17.0</b>	302
	incl. <b>358.5</b>	<b>359.2</b>	<b>0.7</b>	<b>54.6</b>	
	365.0	366.5	1.5	6.87	309
ER16-658	341.6	342.1	0.5	20.6	296

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Drill Hole	From	To	Interval <sup>(1)</sup>	Gold Assay <sup>(2)</sup>	Vertical Depth <sup>(3)</sup>
	(m)	(m)	(m)	(g/t Au)	(m)
	<b>381.8</b>	<b>393.1</b>	<b>11.3</b>	<b>5.60</b>	336
	<b>incl. 381.8</b>	<b>384.1</b>	<b>2.3</b>	<b>11.9</b>	
	with 383.5	384.1	0.5	34.6	
	and incl. 389.2	393.1	3.9	7.82	
	with 390.0	390.6	0.6	16.8	
	and incl. 392.1	393.1	1.0	17.3	
	433.0	435.0	2.0	8.49	376
ER16-666	323.8	328.0	4.3	5.37	274
	incl. 323.8	325.4	1.7	8.94	
	<b>350.0</b>	<b>354.6</b>	<b>4.6</b>	<b>8.95</b>	296
	<b>incl. 350.0</b>	<b>350.8</b>	<b>0.8</b>	<b>19.4</b>	
	<b>and 352.8</b>	<b>354.6</b>	<b>1.8</b>	<b>20.4</b>	
ER16-668	327.4	328.3	0.9	20.6	281
	346.8	348.3	1.5	9.93	298
ER16-669	251.0	252.0	1.0	23.6	225
ER16-671	65.9	67.2	1.3	15.8	46
	incl. 66.4	67.2	0.8	23.2	
ER17-672	105.6	106.6	1.0	4.05	80
	118.4	119.9	1.5	6.80	90
	incl. 118.9	119.4	0.5	19.2	
ER17-673	352	357.9	5.9	3.63	315
	incl. 352.6	354.0	1.4	9.12	
ER17-674	<b>313.5</b>	<b>326.8</b>	<b>13.3</b>	<b>8.31</b>	233
	<b>incl. 313.5</b>	<b>315.8</b>	<b>2.3</b>	<b>4.28</b>	
	<b>incl. 318.0</b>	<b>326.8</b>	<b>8.8</b>	<b>11.4</b>	
	<b>335.2</b>	<b>337.7</b>	<b>2.5</b>	<b>11.4</b>	245
incl. 335.7	336.2	0.5	45.5		
ER17-681	134.0	138.4	4.4	2.59	93
	incl. 134.0	134.5	0.5	11.8	
	and 137.4	138.4	1.0	5.50	
	<b>174.0</b>	<b>185.0</b>	<b>11.0</b>	<b>3.02</b>	122
	<b>incl. 179.0</b>	<b>185.0</b>	<b>6.0</b>	<b>4.48</b>	
	and 183.5	185.0	1.5	8.80	
	incl. 307.0	309.0	2.0	4.08	

<sup>1)</sup> Intervals are presented in core length; true width will vary depending on the intersection angle of the hole with the targeted zone. Holes are generally planned to intersect vein structures as close perpendicular as possible and true widths are estimated to be 75%-85% of downhole widths.

<sup>2)</sup> For known mineralized zones, intervals are based on geological observations and limited compositing of veins. Assays presented are not capped. Intercepts occur within geological confines of major zones but have not been correlated to individual vein domains at this time.

<sup>3)</sup> Vertical depth is measured from the surface to the mid-point of the reported interval.

Company press releases issued December 1, 2016 and January 4, 2017, February 7, 2017 and March 6, 2017 provide further details related to results of exploration at the Clearwater Project.

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**Snake Lake Target**

The Snake Lake Target is located 1.8 km east of the Eau Claire Deposit, within the Clearwater property and along the Clearwater Deformation Zone. Gold mineralization at the Snake Lake occurrence is similar to the Eau Claire deposit. Quartz tourmaline veins are hosted within a thick sequence of basalt flows, tuffs and interbedded metasedimentary rocks which have been intruded by felsic dykes. As at Eau Claire, the entire sequence has been heavily deformed and sheared resulting in development of a deformation zone with strong and extensive foliation and local shearing. Significant zones of sulphide mineralization (pyrite, pyrrhotite, +/- arsenopyrite +/- chalcopyrite) are also reporting gold mineralization within the deformation corridor.

In 2016, drilling returned encouraging near-surface gold results, with similar quartz-tourmaline related gold mineralization as observed at the Eau Claire deposit. Additionally, significant gold mineralization and high visible sulphide concentrations (pyrrhotite+/-pyrite+/-chalcopyrite+/-arsenopyrite) ranging from 5% to 15% (background content normally less than 1%) has been intersected in several holes. Drilling to date encountered anomalous gold mineralization between 1 g/t Au and 12.2 g/t Au in core sampled to a vertical depth of 170 m from surface; the majority of intercepts were located in first 100 m. Core samples obtained at the Snake Lake Target in 2016 have returned gold assays ranging from below detection (<5 ppb Au) to 12.2 g/t Au over 1.5 m.

By December 31<sup>st</sup>, the 2016 Snake Lake drill program was completed with 20 holes drilled totaling 4,502 m. Further exploration of the target will be proposed as part of continuing work at Clearwater once resource drilling at Eau Claire is completed. Highlights from the 2016 drill program at Snake Lake are summarized below. Assays for several holes remained unreported in the period.

**Summary of 2016 drill program at Snake Lake target**

<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)<sup>(2)</sup></b>	<b>Gold Assay g/t Au<sup>(3)</sup></b>
ER16-592	54.2	55.7	1.5	2.94
	Incl. 54.7	55.2	0.5	7.92
	139.5	141	1.5	12.2
	171.0	177.7	6.7	2.38
	incl. 175.6	177.7	2.1	4.89
ER16-596	57.0	58.5	1.5	1.14
	67.0	68	1.0	2.95
	80.6	81.6	1.0	6.38
ER16-599	8.8	9.8	1.0	1.33
	29.0	33.0	4.0	1.45
	incl. 29.0	30.0	1.0	3.74
	41.3	41.8	0.5	5.14
	46.8	48.8	2.0	1.01
	66.9	67.9	1.0	4.02
	163.5	166	2.5	2.45
incl. 163.5	164.5	1.0	4.29	
ER16-615	28.4	29.0	0.6	8.16
	247.8	249.8	2.0	1.13
ER16-604	43.85	45.0	1.15	11.3
ER16-633	29.7	31.7	2.0	5.78
	33.9	34.5	0.6	4.69
ER16-637	47.8	48.3	0.5	6.01
	53.2	55.2	2.0	3.26

\* Refer to footnotes located with previous table

The Company's net investment in the Clearwater Project to January 31, 2017 is \$48.3 million.

***Eastmain Mine Project***

The Eastmain Mine Property is located approximately 375 km NE of the town of Chibougamau and comprises 152 mineral claims. Infrastructure is vital to successful exploration and opportunities for advancement of the Company's second wholly-owned gold deposit improved significantly in the recent years with construction of a permanent road, Route 167 North. This road plays a key role in connecting the property to Chibougamau, other distant mining centers and the Renard Diamond Mine. Exploration in this frontier region of Québec has increased significantly since the completion of the new road and has allowed for easier access and lower-cost exploration to the Eastmain Mine claims. Given its history as a past-producing mine, the property includes an operational construction & mining camp, fuel farm and airstrip. The deposit was previously accessed via an underground ramp which is currently sealed.

The Eastmain Mine claims are located in the south-eastern branch of the Upper Eastmain River Greenstone Belt. The Eastmain gold deposit is a sulphide-rich gold-copper-silver system and belongs to the René sequence, which is dominated by mafic volcanic rocks. The property contains 4 interpreted volcanic cycles. Each cycle is believed to include a basal ultramafic unit, overlain by a mafic volcanic pile and terminated by silicified and mineralized horizon. Within the property boundaries, the first two volcanic cycles are located in the Placer Lake area. The third interpreted cycle (Mine Trend) is locally capped by the Eastmain Mine gold-copper deposit (gold + chalcopyrite in quartz veins).

The Eastmain Mine is a partially-developed, historic, high-grade, gold-copper deposit hosted in an extensive volcanic formation (Mine Trend) which extends across the property for over 10 km on a northwest to southeast strike. The Mine Trend is a very distinctive geological horizon, which is comprised of a strongly deformed and altered mix of rhyolitic tuffs and flows, mafic to ultramafic flows. The Mine Trend is a sub-planar envelope, striking NW-SE and dipping 35° to 45° to the NE. The gold-bearing horizon of the Mine Trend is represented by mineralized quartz veins, associated with massive to semi-massive sulphide lenses (pyrrhotite, pyrite, chalcopyrite), and silicified zones contained within mafic flows, felsic flows and tuffs, and ultramafic flows. The project is in the target-definition and drilling stages of exploration. The Company's exploration focus at Eastmain Mine is the conversion of historic resources and discovery of new and potentially economic mineralization along the regionally extensive Mine Trend.

The Eastmain Mine hosts the Eastmain gold deposit, a copper-gold-silver, sulphide-rich deposit, consisting of three high-grade, gold-rich zones known as the, "A", "B" and "C" Zones. The mine was developed and operated by MSV Resources. MSV mined approximately 100,000 t of ore in 1995, producing 40,000 ozs at an average grade of 10.6 g/t Au. At the time of closure, the Eastmain gold deposit hosted a historical resource of 255,750 ozs of gold at an average grade of 10 g/t Au. These resources are historic estimates and should not be relied upon as they have not been reviewed for Eastmain by a Qualified Person under National Instrument 43-101 ("NI 43-101"). While Eastmain considers this historical estimate to be relevant to exploration of the property, the Company is not treating this historical estimate as a current mineral resource. The Eastmain Mine Project provides very attractive exploration and discovery opportunities for the Company as well as providing an ideally located camp for the exploration of the Company's other claim blocks covering complete segments of the regional Upper Eastmain River Greenstone Belt.

Up to December 31st, 2016 Eastmain completed 22 drill holes for a total of 7,506 m of core drilling at the Eastmain Mine property collecting a total of 10,709 core samples ranging in length from 0.5 m to 1.5 m. Core samples obtained at the Eastmain Mine property in 2016 have returned gold assays ranging from below detection (<5 ppb Au) to as high as 219 g/t Au over 1.5 m. At the end of the period, one hole remained waiting to be sampled. Following are several highlights where assays have been returned for mineralized veins intersected at the Eastmain Mine property by December 2016:

**Eastmain Mine: Selected Drilling Results**

Target	Drill Hole	From	To	Interval	Gold Assay	Silver Assay	Copper Assay
		(m)	(m)	(m) <sup>(1)</sup>	g/t Au <sup>(2)</sup>	g/t Ag <sup>(2)</sup>	% Cu <sup>(2)</sup>
Julien	EM16-76	15.0	25.5	10.5	42.4	30.2	0.53
		incl. 22.5	24.5	2.0	219	153	2.54

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Target	Drill Hole	From	To	Interval	Gold Assay	Silver Assay	Copper Assay
		(m)	(m)	(m) <sup>(1)</sup>	g/t Au <sup>(2)</sup>	g/t Ag <sup>(2)</sup>	% Cu <sup>(2)</sup>
		<b>Incl. 22.5</b>	<b>23.0</b>	<b>0.5</b>	<b>752</b>	<b>464</b>	<b>4.47</b>
Hillhouse	EM16-77	23.2	24.3	1.1	1.24	11.0	-
		112.3	112.8	0.5	2.89	1.03	-
Hillhouse	EM16-78	<b>16.4</b>	<b>18.9</b>	<b>2.5</b>	<b>6.85</b>	<b>0.98</b>	<b>0.10</b>
		<b>incl. 16.9</b>	<b>18.4</b>	<b>1.5</b>	<b>10.6</b>	<b>1.02</b>	<b>0.09</b>
Julien	EM16-92	<b>24.8</b>	<b>34.1</b>	<b>9.3</b>	<b>21.1</b>	<b>25.7</b>	<b>1.05</b>
		<b>incl. 29.8</b>	<b>34.1</b>	<b>4.3</b>	<b>43.1</b>	<b>50.6</b>	<b>2.04</b>
		<b>incl. 33.5</b>	<b>34.1</b>	<b>0.6</b>	<b>195</b>	<b>84.0</b>	<b>2.35</b>
Julien	EM16-93	<b>24.6</b>	<b>40.5</b>	<b>15.9</b>	<b>10.6</b>	<b>20.1</b>	<b>1.24</b>
		<b>incl. 31.9</b>	<b>39.5</b>	<b>7.6</b>	<b>20.4</b>	<b>36.8</b>	<b>2.29</b>
		<b>incl. 34.1</b>	<b>34.6</b>	<b>0.55</b>	<b>62.1</b>	<b>156</b>	<b>1</b>
Julien	EM16-94	<b>60.0</b>	<b>70.0</b>	<b>10.0</b>	<b>7.96</b>	<b>13.6</b>	<b>0.53</b>
		<b>incl. 62.2</b>	<b>68.9</b>	<b>6.7</b>	<b>11.6</b>	<b>20.0</b>	<b>0.77</b>
		<b>incl. 62.2</b>	<b>63.2</b>	<b>1.0</b>	<b>32.7</b>	<b>14.5</b>	<b>1.04</b>
		<b>incl. 65.8</b>	<b>67.3</b>	<b>1.5</b>	<b>14.4</b>	<b>33.0</b>	<b>1.33</b>
Julien	EM16-94	80.0	88.5	8.5	5.67	1.33	0.09
		incl. 80.5	81.0	0.5	38.3	0.96	0.13
		incl. 82.9	83.5	0.6	41.8	3.87	0.03
Julien	EM16-95	60.5	73.5	13.0	1.69	2.62	0.13
		incl. 71.3	72.3	1.0	18.0	24.1	1.05

<sup>1)</sup> Intervals are presented in core length; true width will vary depending on the intersection angle of the hole with the targeted zone. Holes are generally planned to intersect vein structures as close perpendicular as possible and true widths are estimated to be approx. 80% of downhole widths.

<sup>2)</sup> For known mineralized zones, intervals are based on geological observations. Assays presented are not capped.

Press releases of the Company issued, November 14, December 12, 2016 and January 19, 2017 provide further details related to results of exploration at the Eastmain Mine and Ruby Hill properties.

Drilling and trench results to date have been encouraging and further exploration, including geophysical surveys, trenching and drilling are being planned for 2017.

The Company's net investment in the Eastmain Mine project to January 31, 2017 is \$14.9 million.

#### **Éléonore South Joint Venture Property**

Éléonore South is an exploration drilling-stage project which lies in the Opinaca geologic Sub-province of James Bay, Québec. The project is immediately south of and contiguous with the Éléonore property held by Les Mines Opinaca Ltée, a wholly-owned subsidiary of Goldcorp, which hosts the multi-million-ounce Roberto gold deposit. The Éléonore South property is also located immediately west of and is contiguous with the Sirios Resources Inc. Cheechoo property.

Jointly held by Eastmain Resources Inc. (36.72%), Azimut Exploration Inc. ("Azimut") (26.57%), and Les Mines Opinaca Ltée. (36.71%), the property consists of 282 mining claims covering 147 km<sup>2</sup> of prospective land, contiguous with and underlain by the same rock formations as those found on Goldcorp's Éléonore mine property. Éléonore mine geology is interpreted to extend on to the Éléonore South property.

In 2016, the JV partners agreed to undertake a \$2 million work program, including 5,000 m of diamond drilling at the Éléonore South property. The program is managed by Azimut. The 2016 program began in July 2016 with a mandate to test high-priority gold targets with detailed surface prospecting to increase the sampling density in seven target areas.

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In November, Azimut reported results of 2,500 m of drilling on the property. Drill samples were cut from core in 1.5 m to 3 m intervals. Azimut sampled and assayed the entire length of core from each hole, obtaining results ranging from below detection (<5 ppb) to as high as 76.1 g/t Au over 1.55 m. Drilling highlights from the Éléonore South property 2016 drilling include;

- Hole ES16-48 8.88 g/t Au over 2.5 m
- Hole ES16-49 0.52 g/t Au over 36 m, including 1.23 g/t Au over 6 m
- Hole ES16-50 0.50 g/t Au over 16.4 m and 0.94 g/t Au over 4.5 m
- Hole ES16-51 0.62 g/t Au over 79.1 m, including 5.0 g/t Au over 4.0 m
- Hole ES16-52 1.1 g/t Au over 3.0 m
- Hole ES16-54 1.14 g/t Au over 6.0 m from 153.0 m
- Hole ES16-55 1.58 g/t Au over 12.0 m from 147.0 m, including 4.67 g/t Au over 2.7 m
- Hole ES16-57 76.1 g/t Au over 1.55 m from 152.95 m

Press releases of the Company issued on November 11<sup>th</sup>, 2016 and November 21<sup>st</sup>, 2016 provide further details related to results of exploration at the Eleonore South JV.

At the end of the period the Company and partner, Goldcorp were awaiting a proposal from project manager Azimut for the second half of the 2500 m drilling program approved by the joint venture in 2016. The program should begin late February 2017. Further exploration in 2017 will be considered in Q2 2017 when new drill results are anticipated.

Due to earlier impairment charges, the Company's net remaining investment in the project has been recorded as \$0.6 million.

#### **Exploration Project Pipeline**

##### ***Ruby Hill East and West***

The Company holds a 100% interest in certain mineral properties comprising the Ruby Hill project, located within the Upper Eastmain River Greenstone Belt of Northern Québec. The project, which consists of two separate claim blocks, referred to as the Ruby Hill East and Ruby Hill West blocks, covers approximately 10,600 ha of prospective geology similar to the key Mine Trend horizon at the Eastmain Mine gold-copper deposit.

Ruby Hill West straddles the western limb of the Upper Eastmain River Greenstone Belt approximately 30 km northwest of the Eastmain Mine deposit in a similar volcano-sedimentary setting. This claim block covers an entire segment of greenstone belt including ultramafic basal units, basaltic flow sequences and sedimentary units often hosting iron formation. Previous exploration successfully identified several mineralized targets on both Ruby Hill properties, having a similar gold-silver-copper signature to the Eastmain Mine gold deposit as well as finding mineralization in cherty iron formation within mafic volcanic units, near an interpreted structural break at Ruby Hill West.

In mid-2016, Eastmain discovered a new surface gold showing located 2 km W-SW of the historic EXCO showing discovered by the Eastmain Syndicate in 1989 where historic surface sampling values of 3.55 g/t Au; 17.0 g/t Ag; 0.12% Cu have been recorded. The new showing is believed to be a part of the same geological package. The new discovery includes four grab samples which returned values of 18.2 g/t Au, 1.68 g/t Au, 0.28 g/t Au and 0.18 g/t Au. Two other gold samples were found approximately 200 m to the E-NE with grades of 3.71 g/t Au and 2.59 g/t Au. These samples are along strike of the new gold showing and indicate a potential lateral continuity of the new discovery towards EXCO. The gold mineralization is associated with arsenopyrite and is hosted in a silicified mafic volcanic layer located immediately north of an ultramafic sequence. Results from all rock sampling from the property during the 2016 program returned gold values ranging from below detection to as high as 18.2 g/t Au.

At the Ruby Hill East property, 5 drill holes (1,044 m) tested targets identified by historic work by Eastmain and work completed during a survey conducted by Diagnos Inc. No significant results were obtained from

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this drilling. Exploration plans are being considered in 2017 for a follow-up to results at Ruby Hill West, including additional mapping and outcrop stripping. No work is currently being considered for Ruby Hill East.

The Company's net investment in the Ruby Hill project as at January 31, 2017, is \$nil. In accordance with IFRS analysis of impairment, expenditures for Ruby Hill have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements for the fiscal year-ended October 31, 2016).

***Lac Lessard***

The Company holds a 100% interest in the Lac Lessard project. Located 15 km northeast of the Eastmain Mine project, Lac Lessard consists of 47 claims in one claim block covering 2,475 ha. Airborne VTEM and magnetic surveys previously completed by the Company indicate that a large portion of the property is underlain by the Crete-du-Coq ultramafic intrusion, a prospective host to nickel, copper, platinum group metals and gold (Ni-Cu-PGM-Au).

The project is under option to Darnley Bay Resources ("DBL"), whereby DBL can earn 50% interest in the project in exchange for \$2.5 million in exploration expenditures over a four-year period, annual cash payments of \$50,000 and the issuance of 1.6 million DBL common shares to Eastmain. In 2015, as part of its first year's commitment, DBL funded an 11-hole drill program totaling 1,995 m to test 10 VTEM targets. Nine drill holes intersected the Crete-du-Coq ultramafic intrusion returning values ranging from below detection to as high as 1.08% Ni and 0.31% Cu over 2.5 m. At this time, there has been insufficient exploration to define a mineral resource at this target.

After granting an extension for the second year cash payment, the Company is currently in discussion with DBL to determine next steps for the project in 2017.

The Company's net investment in the Lac Lessard project to January 31, 2017 is \$0.23 million.

***Reservoir***

The Company holds a 100% interest in the Reservoir property which comprises 156 claims. The property covers approximately 8,099 ha, located in the Eastmain-Opinaca district of James Bay, Québec, approximately 60 km southwest of the Éléonore property held by Les Mines Opinaca Ltée, a wholly-owned subsidiary of Goldcorp, and approximately 45 km west of the Eau Claire gold deposit. This project hosts a large copper-gold occurrence in albite-altered volcanic-sedimentary rocks, similar to those hosting multi-million-ounce past producing gold mines in Timmins, Ontario.

Reservoir straddles the regional structural/stratigraphic break dividing volcanic and sedimentary domains. This break represents an important ore localizing event throughout the region. Previous trenching and drilling confirmed there is a significant kilometric-scale mineralizing system at Reservoir.

The Reservoir property will be evaluated for further exploration in 2017. Due to previous impairment analysis under IFRS, the Company's investment in Reservoir as at January 31, 2017 is recorded as \$nil. Expenditures for Reservoir have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements for the year-ended October 31, 2016).

***Lac Hudson***

The Company holds a 100% interest in Lac Hudson. The property consists of 187 claims covering 9,682 ha and is located immediately south of the Reservoir Project and 35 km west of Clearwater. This early-stage exploration project is prospective for a sedimentary- or volcanic-hosted gold deposit. The property is located within the central part of the Eastmain River Greenstone Belt, underlain by volcanic and sedimentary rocks containing sulphide facies iron formation and chemical exhalites. A regional crustal-scale "D2" structure, thought to be an extension of the same crustal structure found spatially associated with the Eau Claire gold deposit at Clearwater, bisects the property. Several gold and base metal occurrences have been detected in an iron formation on the property. Previous drilling intersections returned assays of varying amounts ranging

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from below detection to narrow intervals of highly anomalous assays including 15.2 g/t Au and 22.3 g/t Ag. The Lac Hudson property will be evaluated for further exploration later in 2017.

The Company's net investment in the Lac Hudson project as at January 31, 2017, is \$nil. In accordance with IFRS analysis of impairment, expenditures for Lac Hudson have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements for the fiscal year-ended October 31, 2016).

***Lac Elmer***

The Company owns a 100% interest in the Lac Elmer project is located at the western end of the Eastmain Greenstone Belt, approximately 35 km west of the LG2 highway and roughly 80 km west of the Reservoir property. The property consists of 178 claims covering 9,379 ha. Lac Elmer is in the target definition and drilling stages of exploration. Lac Elmer is underlain by a major felsic volcanic centre and characterized by a widespread highly altered mineralized horizon that geologically resembles the Bousquet mining district, located near Val d'Or, Québec. The property hosts a kilometric-sized intensely sericite-silica-altered mineralized horizon, enriched in silver, gold, copper and zinc.

Previous exploration returned high grade silver and gold assays in surface showings. Drill and surface sampling returned assay results ranging from below detection (<5 ppb Au) to as high as 42 g/t Au. Encouraging drill results were obtained previously, including 50 g/t Ag and 0.5 g/t Au across 30 m within felsic volcanic rocks. A second property-scale target includes quartz veins in sheared gabbro/mafic volcanic rocks with quartz-ankerite stockwork veining. Assays ranging to 42 g/t Au have been obtained from limited surface sampling. This target has not been trenched or drilled and management believes the project's geological characteristics warrant additional exploration.

The Lac Elmer property will be evaluated for further exploration in 2017.

The Company's net investment in the Lac Elmer project as at January 31, 2017, is \$nil. In accordance with IFRS analysis of impairment, expenditures for Lac Elmer have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements for the fiscal year-ended October 31, 2016).

***Radisson***

The Company owns a 100% interest in Radisson which comprises 207 mineral claims covering approximately 10,698 hectares located within the La Grande Greenstone Belt district of James Bay, Québec. The property straddles a structural and stratigraphic setting of similar age to the Éléonore property, held by Les Mines Opinaca Ltée, including a significant structural break which separates complex volcanic and sedimentary rocks. Historic gold values obtained within well-developed iron formations on the property suggest that Radisson may also be prospective for Lupin-style (Northwest Territories) gold mineralization. The Radisson property will be evaluated for further exploration in 2017.

Due to earlier impairment analysis under IFRS, the Company's net investment in the project as at January 31, 2017 is \$nil. Expenditures for Radisson have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements for the fiscal year ended October 31, 2016).

***Lidge***

The Company holds a 100% interest in Lidge, an early-stage exploration property located in a prospective geological regime within the James Bay District of Québec. High-density airborne magnetic surveys flown over Lidge in 2014 delineated several geophysical anomalies. Results of the survey will be reviewed to support future exploration.

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The Company's net investment in the project to January 31, 2017, is \$nil. Under earlier IFRS impairment analysis expenditures for Lidge were written-down (Note 9 to the audited consolidated financial statements for the fiscal year ended October 31, 2016).

***Road King***

With further review of the property's exploration results and the company's portfolio of project, the Road King property has been allowed to lapse in 2017. Accordingly, the Company's net investment in the project to January 31, 2017, is \$nil.

**Going Concern**

The Company is in the exploration stage and has not yet determined whether its exploration and evaluation assets contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for its exploration and evaluation assets are dependent upon the ability of the Company to obtain financing to complete exploration of its exploration and evaluation assets, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its exploration and evaluation assets. The amount shown for exploration and evaluation assets does not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for the exploration and evaluation assets.

The unaudited condensed interim consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration-stage company, the Company does not have any sources of revenue and historically has incurred recurring operating losses. At January 31, 2017, the Company had working capital of \$7,513,625 (October 31, 2016 - \$11,943,650) and shareholders' equity of \$68,407,783 (October 31, 2016 - \$69,317,419). Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption was not appropriate for the unaudited condensed interim consolidated financial statements it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

**Results of Operations**

The Company does not earn any significant revenue from consolidated operations. Interest is derived from the investment of funds for the period between the receipt of funds from equity placements and the disbursement of exploration expenditures. From time to time, other income is derived from management fees and charges for the use of Company facilities by third parties.

***Three months ended January 31, 2017 compared to the three months ended January 31, 2016:***

- Net loss for the quarter was \$1,094,069 (2016 - \$192,611) a variance of \$901,458.
- General and administrative expenses were \$1,152,821 (2016 - \$401,450), a variance of \$751,371. The variance is primarily due to an increase in corporate and administrative costs such as payroll, rent, legal and professional fees due to increased corporate activity.
- Impairment of exploration and evaluation assets was \$57,729 (2016 - \$11,736) a variance of \$45,993. At the end of each reporting period, management reviews carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount is adjusted to the higher of the asset's fair value less cost to sell or its value in use.

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- Interest and other income was \$29,773 (2016 - \$19,288) a variance of \$10,485. The income was recorded during the period for interest earned on cash balances.
- The unrealized gain on marketable securities for the quarter was \$302,263 (2016 – gain of \$90,783) a variance of \$211,480. The gain is attributable to an increase in market values of the common shares in resource companies held by the Company detailed in Note 4 to the unaudited condensed interim consolidated financial statements.
- Premium income from flow-through common shares was \$30,445 (2016 - \$149,600), a variance of \$119,155. The premium on flow-through common shares is calculated as being the difference between the price paid by investors for flow-through common shares and the fair-market price of the common shares. The premium is recorded as a liability and income is derived from premium amortization pro rata to eligible expenditures incurred.
- Deferred income tax expense of \$246,000 (2016 expense - \$39,644) a variance of \$206,356. Deferred income tax expense is largely affected by the amount of exploration expenditures, flow-through renunciation, and flow-through premium income and impairment charges recorded.

**Summary of Quarterly Results**

	Quarter ended 1/31/2017	Quarter ended 10/31/2016	Quarter ended 07/31/2016	Quarter ended 04/30/2016
<b>Interest / other income</b>	\$ 29,773	\$ 11,701	\$ 29,422	\$ 7,659
<b>Comprehensive loss</b>	\$(1,094,069)	\$(2,429,032)	\$(872,807)	\$(2,847,163)
Per share basic	\$(0.0062)	\$(0.0139)	\$(0.0054)	\$(0.0211)
Per share diluted	\$(0.0062)	\$(0.0139)	\$(0.0054)	\$(0.0211)
<b>Trading range of shares</b>				
High	\$0.69	\$0.95	\$0.67	\$0.51
Low	\$0.40	\$0.63	\$0.29	\$0.29

	Quarter ended 1/31/2016	Quarter ended 10/31/2015	Quarter ended 07/31/2015	Quarter ended 04/30/2015
<b>Interest / other income</b>	\$ 19,288	\$ 104,646	\$ 27,814	\$ 20,132
<b>Comprehensive loss</b>	\$(192,611)	\$(41,541)	\$(315,689)	\$(238,436)
Per share basic	\$(0.0204)	\$(0.0003)	\$(0.0024)	\$(0.0018)
Per share diluted	\$(0.0204)	\$(0.0003)	\$(0.0024)	\$(0.0018)
<b>Trading range of shares</b>				
High	\$0.31	\$0.42	\$0.49	\$0.62
Low	\$0.39	\$0.28	\$0.29	\$0.29

Significant charges included in the amounts above are as follows:

*1/31/2017*

Comprehensive net loss includes: \$174,933 for share-based compensation; impairment of exploration and evaluation assets of \$57,729; an unrealized gain on marketable securities of \$302,263; a premium on flow-through shares of \$30,445; and a deferred income tax expense of \$246,000.

*10/31/2016*

Comprehensive net loss includes: \$17,299 for share-based compensation; impairment of exploration and evaluation assets of \$2,392,308; an unrealized loss on marketable securities of \$8,212; and a deferred income tax recovery of \$599,266.

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*07/31/2016*

Comprehensive net loss includes: \$347,786 for share-based compensation and; an unrealized gain on marketable securities of \$192,937.

*04/30/2016*

Comprehensive net loss includes: \$2,935,000 for strategic process costs; \$167,501 for share-based compensation; a deferred income tax recovery of \$386,765; a realized loss on marketable securities of \$83,118 and; an unrealized gain on investment revaluation of \$206,358.

*01/31/2016*

Comprehensive net loss includes: flow-through common share premium income of \$149,600; a charge of \$53,250 for share-based compensation; deferred income taxes of \$39,644 and; an unrealized gain on investment revaluation of \$90,783.

*10/31/2015*

Comprehensive net loss includes: flow-through common share premium income of \$986,567; a charge of \$86,685 for share-based compensation; deferred income taxes of \$673,044; an unrealized loss on investment revaluation of \$36,267 and; an impairment charge of \$13,093.

*07/31/2015*

Comprehensive net loss includes: flow-through common share premium income of \$137,563; deferred income tax of \$36,454 and; a charge of \$117,600 for share-based compensation; an unrealized loss on investment valuation of \$75,884 and; an impairment charge of \$33,703.

*04/30/2015*

Comprehensive net loss includes: flow-through common share premium income of \$68,671; deferred income tax of \$20,479; a realized loss on disposal of investments of \$60,183; an unrealized loss on investment revaluation of \$12,637 and; an impairment charge of \$46,700.

### **Risks and Uncertainties**

The exploration, development and mining of mineral resources are highly speculative in nature and are subject to significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please do refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended October 31, 2016, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Exploration and Evaluation Assets**

The cost of exploration and evaluation is recorded on a property-by-property basis and deferred in the Company's accounts, pending recovery, based on the discovery and/or extraction of economically recoverable reserves. When it is determined that there is little prospect of minerals being economically extracted from a property, the deferred costs associated with that property are charged to operations. The Company has an impairment policy, described in Note 3 to the annual audited consolidated financial statements for the year ended October 31, 2016, whereby the carrying amounts of exploration properties are reviewed for events or changes in circumstances that suggest that the carrying amount may not be recoverable. As at January 31, 2017, the Company's carrying value of exploration and evaluation assets, net of recoveries and impairment charges was \$64,178,276 (October 31, 2016 - \$60,709,890).

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**Project expenditures for the three months ended January 31, 2017**

Project	Drilling & assay \$	Technical surveys \$	Project acquisition & maintenance \$	2017 net expenditures \$
Clearwater	2,532,543	436,896	52,644	3,022,083
Eastmain Mine	262,438	44,869	21,012	328,319
Eléonore South	nil	100,000	15,621	115,621
Ruby Hill	nil	6,693	21,565	28,258
Lac Hudson	nil	nil	1,078	1,078
Lac Elmer	nil	nil	6,275	6,275
Radisson	nil	22,118	nil	22,118
Lac Clarkie	2,363	nil	nil	2,363
<b>Total</b>	<b>2,797,344</b>	<b>610,576</b>	<b>118,195</b>	<b>3,526,115</b>

**Cumulative acquisition, exploration and evaluation expenditures as at January 31, 2017**

Project	Balance October 31, 2016 \$	2017 net expenditures \$	Write-down \$	Balance January 31, 2017 \$
Clearwater	45,232,040	3,022,083	nil	48,254,123
Eastmain Mine	14,606,643	328,319	nil	14,934,962
Eléonore South	518,066	115,621	nil	633,687
Ruby Hill	nil	28,258	(28,258)	nil
Lac Hudson	nil	1,078	(1,078)	nil
Lac Elmer	nil	6,275	(6,275)	nil
Radisson	nil	22,118	(22,118)	nil
Lac Lessard	230,482	nil	nil	230,482
Lac Clarkie	122,659	2,363	nil	125,022
<b>Total</b>	<b>60,709,890</b>	<b>3,526,115</b>	<b>(57,729)</b>	<b>64,178,276</b>

**Liquidity**

Working capital is a measure of both a company's efficiency and its short-term financial health, which is calculated as current assets less current liabilities. The working capital ratio of current assets to current liabilities indicates whether a company has enough short-term assets to cover its short-term debt.

At January 31, 2107, the Company had current assets of \$11,923,300 and current liabilities of \$4,409,675 yielding a working capital of \$7,513,625. The Company notes that the Flow-through share premium liability which represents \$3,184,939 of current liabilities balance is not settled through cash payment. Instead, this balance is amortized against qualifying flow-through expenditures which are required to be incurred before December 31, 2017. The Company maintains a high liquidity by holding cash balances in interest-bearing Canadian bank accounts. The high working capital ratio is a reflection of the Company's operating cycle, which consists of obtaining funds through the issuance of shares, before engaging in exploration activities.

The Company has no long-term debt.

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At January 31, 2017, the Company held investments of \$724,080 valued at fair market with initial maturities extending beyond one year. Funds-on-hand for future exploration costs are invested from time-to-time in money market funds, term deposits, and bonds or certificates of deposit with maturities matching the Company's cash-flow requirements, which in management's opinion, yield the greatest return with the least risk. Apart from certain securities received as a result of past company dealings, the Company's policy is to maintain its investment portfolio in very low-risk liquid securities, which are selected and managed under advice from independent professional advisors.

Prepaid and sundry receivables at January 31, 2017, were \$756,812 which included recoverable sales taxes paid of \$600,943 which are subject to verification and normally refunded within 60 to 90 days of the claim. Refunds of taxes are not considered a financial instrument since governments are not obligated to make these payments. Other accounts receivable and advances were \$155,869.

At January 31, 2017, amounts payable and accrued liabilities were \$1,224,736 which included payroll withholdings of \$5,630. Trade accounts are normally settled within 30 days. Flow-through premiums are amortized to income in proportion to eligible Canadian exploration expenditures incurred.

The Company has an estimated \$175,000 in resource investment credits and mining duty rebates recoverable from the Province of Québec for qualified expenditures on returns filed up to January 31, 2017. Since confirmation of these amounts has not yet been received, this estimated refund has not been recorded in the Company's unaudited condensed interim consolidated financial statements.

During the three months ended January 31, 2017, the Company received net proceeds of \$9,500 from common shares issued. During the same period, the Company spent \$3,526,115 on claim acquisition, claim maintenance, and exploration and evaluation of mineral resource properties. Exploration expenditures are discretionary except for the flow-through commitments described below. As such, management believes the Company will have sufficient funds available to meet all of its flow-through obligations and cover its ongoing administrative and overhead costs for the foreseeable future.

The Company is reliant on equity markets over the long term to raise capital to fund its exploration activities. In the past, the Company has been successful in raising funds through equity offerings, and while there is no guarantee that this will continue, there is no reason either to believe that this capacity will diminish.

### **Commitments**

The Company issued common flow-through shares during the year ended October 31, 2016 which require the Company to incur flow-through eligible expenditures of \$8.9 million before December 31, 2017. As disclosed to investors, the funds raised are being used to conduct the Company's 2016 and 2017 exploration and infill drill programs.

### **Capital Resources**

The Company, as is typical of junior exploration companies, has only a small investment in capital resources, which is comprised of \$73,803 in computer equipment and field equipment of \$403,396. The net book value at January 31, 2017, was \$52,541.

### **Income Taxes**

For tax year-ends after December 31, 2006, non-capital losses can be carried forward and used to offset future gains for a period of twenty years, after which they expire (ten years for losses in tax years ending prior to December 31, 2006). To the extent that loss carry-forwards could be used to reduce future tax liabilities, they are a financial resource that can be managed. The Company, by its nature as a mineral exploration business, generates non-capital tax losses, which are not recognized on the income statement because, at this point in time, it is not certain that they will be used to offset tax liabilities within their carry-forward life.

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As at October 31, 2016, the Company has non-capital losses available for deduction of \$15,007,669 which begin to expire in 2026, and unused capital losses of \$523,692 which have no expiry date. In addition, the Company has Canadian exploration and development expenditures available to reduce future years' taxable income of approximately \$28,500,000. The tax benefit of these amounts may be carried forward indefinitely.

Income taxes on interim results have been estimated and apportioned at a reasonable approximation of the deferred income tax liability that will be applicable to the operating results for the full fiscal year.

### **Off-Balance-Sheet Arrangements**

The Company has no off-balance-sheet arrangements.

### **Transactions with Related Parties**

A number of transactions with related parties ceased on April 29, 2016. Previously, related party transactions included \$18,900 per month salary and \$1,000 per month premises rent paid to the former President and Chief Executive Officer ("CEO") of the Company. In addition, management services fees of \$900 per day plus out of pocket expenditures were paid to Shawonis Explorations and Enterprises Ltd. ("Shawonis"). The president of Shawonis is related to the former President and CEO of Eastmain. Financial consulting service fees in respect of the services of the former Chief Financial Officer ("CFO") of the Company in the amount of \$130 per hour plus out-of-pocket costs were paid to QB 2000 Inc. The former CFO of Eastmain is the president of QB 2000 Inc. The value of related party transactions for the three months ended January 31, 2017 was \$nil (2016 - \$124,373).

The Vice President Exploration of Eastmain, is the president of OTD Exploration Services Inc. ("OTD"). During the three months ended January 31, 2017, \$72,300 was paid to OTD as related to professional geological exploration and management services (2016 - \$nil). At January 31, 2017, the amount due to OTD was \$39,858 (October 31, 2016 - \$23,504) related to his function as the Vice President, Exploration of Eastmain.

Remuneration of directors and key management personnel, other than consulting fees, of the Company was as follows:

	<b>Three months ended January 31, 2017 (\$)</b>	<b>Three months ended January 31, 2016 (\$)</b>
Salaries and benefits	324,942	92,700
Share-based compensation	130,523	53,250
<b>Total</b>	<b>455,465</b>	<b>145,950</b>

The Company considers its key management personnel to be the CEO and CFO.

Certain previous officers had employment or service contracts with the Company which triggered termination payments on April 28, 2016. Directors do not have any employment or service contracts but received remuneration as a result of their work under the mandate of the Special Committee. Officers and directors are entitled to share-based compensation and cash remuneration for their services.

At January 31, 2017, the amount due to officers was \$22,694 (October 31, 2016 - \$31,948) and the amount due to directors was \$nil (October 31, 2016 - \$18,240).

The Company has a diversified base of investors. To the Company's knowledge, no shareholder holds more than 10% of the Company's common shares as at January 31, 2017.

## **Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares of which, as of March 9, 2017, there are 175,429,814 common shares outstanding; 9,903,605 options outstanding with a weighted average exercise price of \$0.67, which would generate proceeds of \$6,665,012, if exercised; and 6,899,999 warrants outstanding at an exercise price of \$0.50, which if exercised would generate proceeds of \$3,450,000.

## **Critical Accounting Estimates**

The preparation of these unaudited condensed interim consolidated financial statements under IFRS requires management to make certain estimates, judgements and assumptions about future events that affect the amounts reported in the unaudited condensed interim consolidated financial statements and related notes. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates and these differences could be material.

### **a) Significant judgements in applying accounting policies**

The areas which require management to make significant judgements in determining carrying values include, but are not limited to:

#### ***Exploration and evaluation assets***

In estimating the recoverability of capitalized exploration and evaluation assets, management is required to apply judgement in determining whether technical feasibility and commercial viability can be demonstrated for its mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from exploration and evaluation assets to property and equipment, and subject to different accounting treatment. As at January 31, 2017, management deemed that no reclassification of exploration and evaluation assets was required.

#### ***Income taxes and recoverability of potential deferred tax assets***

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences, and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to both positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement.

Examination by applicable tax authorities is based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

### **b) Significant accounting estimates and assumptions**

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

***Impairment of exploration and evaluation assets***

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value requires the Company to estimate future cash flows associated with the assets and a suitable discount rate in order to calculate the present value. During the three months ended January 31, 2017, the Company's exploration and evaluation assets were written down by \$57,729 (2016 - \$11,736).

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, unless that amount exceeds the carrying value recorded prior to the recognition of the impairment loss, in which case the carrying value would be re-instated to its pre-impairment loss carrying value. A reversal of an impairment loss is recognized immediately in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

Management estimates of mineral prices, recoverable reserves, operating capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of exploration and evaluation assets. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of net cash flow to be generated from its projects.

***Share-based payments***

The amount expensed for share-based payments is derived from the application of the Black-Scholes option pricing model, which is highly dependent on the expected volatility of the Company's shares and the expected life of the options. The Company uses an expected volatility rate for its shares based on past trading data. Actual volatility may be significantly different. While the estimate of share-based payments can have a material impact on the operating results reported by the Company, it is a non-cash charge and as such has no impact on the Company's cash position or future cash flows.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

***Depreciation and impairment of property and equipment***

The determination of the useful life of property and equipment is based on management estimates. Indicators of impairment are also subject to management's estimates.

***Estimation of restoration, rehabilitation and environmental obligations***

Restoration, rehabilitation and environmental liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations. These estimates are measured at fair value, which is determined by the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation and environmental liabilities that may occur upon ceasing exploration and evaluation activities. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Management's determination that there are currently no provisions required for site restoration is based on facts and circumstances that existed during the period.

**Impairment Analysis**

Each reporting period, management reviews the general and economic conditions and mining industry trends that influence recoverability of the carrying value of its exploration and evaluation expenditures. As at January 31, 2017, no further impairment charges were deemed necessary, however, during the period ongoing exploration and evaluation expenditures of \$57,729 incurred on properties previously determined to

be impaired were written down. An impairment analysis performed in 2014, identified impairment characteristics on some of the Company's properties which lead to an impairment write off totaling \$10,434,944 in that year. The properties affected were: Éléonore South; Ruby Hill; Reservoir; Radisson; Dyna; and Lidge. Ongoing exploration and claims maintenance expenditures on these properties are being written off as incurred until such time as economic conditions permit a reversal of the impairment charges.

### **Standard Issued But Not Yet Effective**

IFRS 9 – Financial Instruments ("IFRS 9"), issued by the International Accounting Standards Board in October 2010 is intended to entirely replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), IAS 39, using a single approach to determine whether a financial asset is measured at amortized cost or fair value, thereby reducing the complexity of the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash-flow characteristics of financial assets. Most of the requirements in IAS 39 for the classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires the use of a single method of impairment determination, which replaces the multiple methods available under IAS 39. The standard will be effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact this final standard is expected to have on its unaudited condensed interim consolidated financial statements.

### **Use of Financial Instruments**

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk and the Company does not hold any asset-backed commercial paper. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest-rate risk and commodity-price risk. The Company's exposure to risk factors and their impact on the Company's financial instruments are summarized below:

#### **a) Fair value**

Fair value represents the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair-value estimates are based on quoted market values and other valuation methods.

#### **b) Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities, and receivables included in prepaid and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with the Royal Bank of Canada, from which management believes the risk of loss to be minimal. Financial instruments included in prepaid and sundry receivables consist of other receivables. Management believes that its concentration of credit risk, with respect to financial instruments included in prepaid and sundry receivables, is minimal.

#### **c) 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's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2017, the Company had current assets of \$11,923,300 to settle current liabilities of \$4,409,675. The Company notes that the Flow-through share premium liability which represents \$3,184,939 of current liabilities balance is not settled through cash payment. Instead, this balance is amortized against qualifying flow-through expenditures which are required to be incurred before December 31, 2017. All of the Company's financial liabilities have contractual maturities of 30 days or less except flow-through liabilities which continue until December 31, 2017.

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During the three months ended January 31, 2017, the Company raised net proceeds of \$9,500 through the exercise of options. In management's opinion, there are sufficient funds to support the ongoing operating costs and discharge the Company's financial commitments for the foreseeable future.

**d) Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

***Interest rate risk***

The Company has cash balances, interest-bearing bank accounts and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade bonds, treasury bills, bankers' acceptances and money market funds. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as at January 31, 2017.

***Foreign currency risk***

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain administrative expenses in the United States on a cash-call basis using US dollar currency converted from its Canadian dollar bank account held in Canada. Management believes the foreign currency risk derived from currency conversions is manageable and therefore, does not hedge its foreign currency risk.

**Sensitivity analysis**

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a three month period:

- i. Cash and cash equivalents are subject to floating interest rates. The Company has no variable debt and receives low interest rates on its cash and cash equivalent balances. As such, the Company does not have significant interest rate risk.
- ii. As at January 31, 2017, all of the Company's \$724,080 investment in marketable securities is subject to market fluctuations. If the fair value of the Company's investment in marketable securities had increased or decreased by 25%, with all other variables held constant, the comprehensive loss and equity for the three months ended January 31, 2017 would have been approximately \$181,000 higher or lower.

**Future Outlook**

Eastmain is currently working through the largest and most aggressive exploration program ever undertaken by the company. With intensified drilling in the winter months and five rigs currently testing targets at Eau Claire, the company expects to release a significant amount of new results throughout the first half of 2017. Meanwhile, the company remains well-funded with over \$11 million in cash on hand as at quarter-end. Reflecting on its progress year-to-date, the Company is pleased to report encouraging results from all three of its key properties.

At its flagship Clearwater Project, 44,492 metres of the planned 63,300 metre (\$8.8 million) drill program was completed by March 6, 2017. This drilling program was initiated to increase the confidence level of the Eau Claire deposit by providing additional drill information within the current resource area. Concurrently, the Company also completed several drill holes testing and extending the outer limits of the mineralized zones. Other drilling on the nearby Snake Lake target, (1.3 km from Eau Claire) demonstrates the prospective nature of proximal drill ready surface targets along the Clearwater Deformation Zone. On completion of the full drill program, the Company will compile its results in support of a resource update which we expect to complete around mid-year. Meanwhile, planning is currently underway on the 2017 exploration program

which will include exploration drilling around the Eau Claire deposit, testing new targets along the Clearwater Deformation Zone and the accumulation of further data in support of a Preliminary Economic Assessment (PEA) which is expected around year-end.

At the Eastmain Mine Project, the Company completed its \$1.5 million exploration program in late 2016. The planned 2016 exploration program consisted of mapping, prospecting, mechanical trenching and 7,500 metres of drilling. A total of 3,180 m<sup>2</sup> of trenching with channel sampling were completed at the Julien, Hillhouse and Suzanna targets, located between 1.5 km and 3.0 km to the northwest of the historic mine site. Each target reported mineralization and geology supportive of further exploration. The most prospective assay results to date were obtained from the Julien target which demonstrated high grade gold, silver and copper at 15 metres below surface. Drilling and trench results to date have been encouraging and further exploration, including geophysical surveys, trenching and drilling are being proposed for the project in 2017. Line-cutting has been completed and an Induced Polarization (IP) program is under way, with results to guide future drilling expected in March 2017.

At the Eleonore South JV Property, Eastmain and its joint venture partners reported the results from 2,500 m of drilling in November. This drilling represented the first phase of a program targeting mineralization underlying robust geochemical results. Despite the limited scale of the program, drilling returned widespread gold mineralization with anomalous grades over significant widths, interspersed by higher grade intervals. Upon reviewing the results of the Phase 1 program, the JV partners approved a Phase 2 program (2,500 metres) which commenced in March 2017. The results of the phase 2 program are expected to be received before mid-year.

### **Scientific and Technical Disclosure**

All disclosure of a scientific or technical nature herein concerning the current mineral resource estimate at Eau Claire is based upon the technical report entitled "Technical Report for the Eau Claire Gold Deposit, Clearwater project, Québec" effective April 27, 2015 and filed on SEDAR on June 11, 2015 (the "Clearwater Report"), which was prepared by SRK Consulting (Canada) Inc. Dominic Chartier, P.Geol and Jean-Francois, Ph.D, P.Geol are the authors of the Clearwater Report and are each "qualified persons" within the meaning of NI43-101, and have verified the data underlying the statements contained therein concerning the current mineral resource estimate at Eau Claire. Further information concerning the Clearwater Project is contained in the Clearwater Report available at [www.sedar.com](http://www.sedar.com).

All other scientific and technical information contained herein has been prepared under the supervision of, and verified by, Bill McGuinty, Vice President Exploration of the Company. Mr. McGuinty is a "qualified person" within the meaning of NI 43-101.

Potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource at any of the Eastmain Mine, Eleonore South, Ruby Hill, Lac Lessard, Lac Hudson or Lac Elmer properties, and it is uncertain if further exploration will result in any such target being delineated as a mineral resource.

### **Disclosure Controls and Procedures**

The Company's management, with the participation of its President and CEO, CFO and Corporate Secretary, have evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the certifying officers have concluded that, as of the end of the period covered by this report, the disclosure controls and procedures effectively provide reasonable assurance that information required to be disclosed, in reports the Company is required to file or submit under Canadian securities laws, was recorded, processed, summarized and reported within the appropriate time periods specified by those laws. The Company's certifying officers, being the President and CEO and the CFO have evaluated the effectiveness of the Company's disclosure controls and procedures. The certifying officers also concluded that material information was accumulated and communicated to management of the Company, including the President and CEO and the CFO, as appropriate to allow timely decisions regarding disclosure.

### **Internal Controls over Financial Reporting**

The Company's President and CEO and the CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the President and CEO and the CFO, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes, in accordance with IFRS. The Company's internal control over financial reporting includes policies that:

- a) pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of unaudited condensed interim consolidated financial statements in accordance with IFRS and that the Company's receipts and disbursements are made only in accordance with authorizations of management and the Company's Directors; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's unaudited condensed interim consolidated financial statements.

The Company's management believes that its policies and procedures provide the best controls achievable under the constraints described above, subject to the limitations below.

### **Limitation of Controls and Procedures**

The Company's management including the President and CEO and the CFO believe that any disclosure controls and procedures or internal control 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. The design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. The inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can be circumvented by the individual acts of some persons, by collusion of two or more individuals 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 therefore 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.

### **Accounting Responsibilities, Procedures and Policies**

The Board of Directors, which among other things is responsible for the unaudited condensed interim consolidated financial statements of the Company, delegates to management the responsibility for the preparation of the unaudited condensed interim consolidated financial statements. Responsibility for their review rests with the Audit Committee. Each year the shareholders appoint independent auditors to audit and report directly to them on the unaudited condensed interim consolidated financial statements.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to confirm that all administrative duties and responsibilities are properly discharged. The Audit Committee also reviews the unaudited condensed interim consolidated financial statements and MD&A and considers the engagement or reappointment of external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the unaudited condensed interim consolidated financial statements for issuance to the shareholders. The external auditors have full and free access to the Audit Committee.

### Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Regardless of whether the Company discovers a significant gold deposit, its working capital of \$7,513,625 at January 31, 2017 is anticipated to be adequate for it to continue operations for the twelve-month period ending January 31, 2018, and to meet all of its flow-through obligations (see "Going Concern" and "Liquidity")	The operating and exploration activities of the Company for the twelve-month period ending January 31, 2018, and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; changes in operating and exploration activities; changes in economic conditions; timing of expenditures
The Company's projects may contain economic deposits of minerals (see "Company Overview", "Exploration and Evaluation Activities" and "Future Outlook")	The actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of applicable commodities and applicable interest and exchange rates will be favourable to the Company; no title disputes exist or will arise with respect to the Company's projects; and the Company has or will obtain adequate property rights to support its exploration and development activities	Commodity price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions
The Company's anticipated business plans, including costs and timing for future exploration on its projects and acquisitions of additional projects (see "Exploration and Evaluation Activities", "Three Months Ended January 31, 2017 Highlights" and	The exploration activities of the Company and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the	Commodity price volatility; changes in the condition of debt and equity markets; timing and availability of external financing on acceptable terms may not be as anticipated; the

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Forward-looking statements	Assumptions	Risk factors
"Future Outlook")	Company; financing will be available for the Company's exploration and development activities on favourable terms; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; the price of applicable commodities will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; the Company has or will obtain adequate property rights to support its exploration and development activities; and the Company will be able to successfully identify and negotiate new acquisition opportunities	uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits is subject to governmental and/or regulatory approvals; the Company does not have control over the actions of its joint venture partners and/or other counterparties
Management's outlook regarding future trends and exploration programs (see "Three Months Ended January 31, 2017 Highlight", "Exploration and Evaluation Activities" and "Future Outlook")	Financing will be available for the Company's exploration and operating activities; the price of applicable commodities will be favourable to the Company; the actual results of the Company's exploration and development activities will be favourable; management is aware of all applicable environmental obligations	Commodity price volatility; changes in the condition of debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; the possibility that future exploration results will not be consistent with the Company's expectations; changes in environmental and other applicable legislation and regulation

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Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements contained in this MD&A, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Additional Information**

Additional information relating to the Company, including any published Annual Information Forms, can be found on SEDAR at [www.sedar.com](http://www.sedar.com).