Management Discussion and Analysis
May 12, 2017

This management's discussion and analysis (MD&A) for Tarku Resources Ltd. (the "Company") should be read in conjunction with the condensed interim financial statements of March 31, 2017 and the audited annual financial statements of September 30, 2016. The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Corporation presents its results in Canadian (CDN) dollars. All amounts in this MD&A are in Canadian dollars unless otherwise indicated.

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Business Overview

The Company's principal business activity is the exploration for mineral resources in the provinces of Saskatchewan and Quebec. The Company's corporate office is located at Suite 602, 224 4th Ave S., Saskatoon, Saskatchewan.

Summary of Financial Information

Selected financial information of the Company is presented in the table below. The financial data has been prepared in accordance with International Financial Reporting Standards ("IFRS") and reported in Canadian dollars.

For the periods ended	March 31, 2017	September 30, 2016	September 30, 2015
Total Interest and other income	$ -	$ -	$102
Net Income (Loss)	(325,890)	(218,789)	(441,926)
Net Income (Loss) per common share	(0.01)	(0.01)	(0.03)
Total assets	487,825	513,334	244,994
Total long term liabilities	Nil	Nil	Nil
Cash dividends per share	Nil	Nil	Nil

Summary of Financial Information - continued

Quarterly Information	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Total Interest and other income	$ -	$ -	$ -	$ 2
Net Income (Loss) for the period	(325,890)	(234,859)	(134,079)	(45,066)
Net Income (Loss) per common share	(0.01)	(0.01)	(0.01)	(0.00)
Total assets	487,825	431,344	513,334	546,071
Total long term liabilities	Nil	Nil	Nil	Nil

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Total Interest and other income	$ -	$ -	$(3)	$44
Net Income (Loss) for the period	(28,492)	(11,152)	(53,568)	(295,098)
Net Income (Loss) per common share	(0.00)	(0.00)	(0.00)	(0.02)
Total assets	247,017	252,885	244,994	277,750
Total long term liabilities	Nil	Nil	Nil	Nil

Results for the Six months ended March 31, 2017

For the six month period ended March 31, 2017, the Company incurred total expenditures of $325,890 (2016 - $39,643) resulted in a comprehensive loss of $325,890 (2016 - $39,643). The components of expenses are $29,509 (2016 - $12,175) in administrative expenses, $60,999 (2016 - $2,500) in consulting fees, $26,280 (2016 - $224) in exploration costs, $39,090 (2016 - $538) in investor relations expenses, $19,922 (2016 – $15,814) in listing and filing fees, $26,340 (2016 - $8,392) in professional fees and $123,750 (2016 - nil) in share based compensation.

Mineral Exploration Properties

Expenditures	Chateau Fort Quebec	Berthiaume Quebec	Virgin River Saskatchewan	Total
Balance at September 30, 2015	$ 179,320	$ -	$ 1	$ 179,321
Additions				
Acquisition and renewal costs	7,035	-	-	7,035
Balance at September 30, 2016	186,355	-	1	186,356
Additions				
Acquisition and renewal costs	-	51,000	100,000	151,000
Balance at March 31, 2017	**$ 186,355**	**$ 51,000**	**$ 100,001**	**$ 337,356**

See Note 3 in the Notes to Financial Statements for details of the option agreements relating to the following properties:

Chateau Fort Property, Quebec

The Chateau Fort property is 18,867 hectares in size and includes Au, Ag, Cu, Zn and As anomalies identified by Eros Resources Corp ("Eros", formerly Anthem Resources Inc.) geochemical surveys (lake bottom, soil and stream sediments). The current airborne EM data and follow-up ground work will be used in conjunction with existing data to identify potential drill targets. Tarku is earning a 100% interest at Chateau Fort from Eros (see press release TKU-PR March 24, 2015).

Per the original agreement, the Company had the option to acquire 100% interest in the Property, subject to reservations of diamonds on the claims identified as Melkior OJV and royalty interests on the Property, by funding expenditures on the Property, issuing shares and making cash payments, according to the following schedule:

- (i) $5,000 deposit payable on execution of this letter (paid);
- (ii) make total cash payments of $95,000 and issue total 8,000,000 shares of Tarku as follows:
  - (1) on approval of TSX Venture Exchange, no later than April 21, 2015, or such later date as mutually agreed upon, $10,000 in cash (paid) and 2,000,000 shares (issued);
  - (2) on or before March 31, 2016, $20,000 cash payments and 1,500,000 shares (outstanding)
  - (3) on or before March 31, 2017, $20,000 cash payments and 1,500,000 shares;
  - (4) on or before March 31, 2018, $20,000 cash payments and 1,500,000 shares;
  - (5) on or before March 31, 2019, $25,000 cash payments and 1,500,000 shares;
- (iii) fund expenditures of not less than $200,000 and renew claims in the amount of $25,000 (completed) on or before July 10, 2015 which expenditures will be a firm commitment;

The Company also has a requirement to complete a private placement financing of not less than $400,000 by April 21, 2015, of which Eros has deemed satisfied by way of the Company's private placement financing of $219,450 completed in June 2015.

Anthem (subsequently Eros) retains a 2% net smelter return royalty on claims not subject to other underlying agreements. The Company will have the right to buy down the royalty to 1% for $2,000,000 on or before commencement of commercial production. In addition, Anthem retains the right to maintain its pro rata percentage ownership of the Company via future financings, and first right of refusal on third party offers to purchase the property.

On July 29, 2016, the property option agreement was amended as follows: 100% of the property was transferred to the Company with no other liabilities or consideration or commitments and the right to buy down the royalty to 1% was reduced from $2,000,000 to $500,000.

Subject to obtaining the necessary financing or making alternate financial arrangements a follow-up ground prospecting program is planned to further delineate and better define all targets, with emphasis on the high-priority targets, specifically a number of continuous conductors coincident with magnetic anomalies. On the completion of the ground prospecting a data compilation is anticipated to define targets for future drill-testing. A number of high-priority targets appear to indicate an extension of stratigraphy which hosts the past-producing Eastmain Mine.

During the six months ended March 31, 2017 the Company incurred $26,280 (2015 - nil) in exploration expenditures in connection with this property.

Berthiaume gold property, Quebec

On March 29, 2017, the Company acquired 29 mineral claims in the municipality of Matagami, Quebec, from Marche des Capitaux The Ask (the "Ask") and Syndicated Capital Corp ("Syndicated"), two arms-length parties, subject to the following terms:

(i) $15,000 cash payment ($11,250 to the Ask, $3,750 to Syndicated) - (accrued)
(ii) 800,000 common shares (600,000 shares to the Ask, 200,000 to Syndicated) - (issued)
(iii) 1% net smelter royalty (0.75% to the Ask, .25% to Syndicated

The net smelter royalty can be reduced by 50% with the payment of $500,000 ($375,000 to the Ask, $125,000 to Syndicated)

Virgin River Property, Saskatchewan

The Virgin River property Covers over 45,000 hectares along over 40 km of the Virgin River Shear Zone (part of the crustal-scale Snowbird Tectonic Zone) and is located along same structure (Snowbird TZ) within 25 and 45 km of Cameco's Dufferin Lake & Centennial deposits. The geological setting is analogous to that of the Patterson Lake South discovery 100 km northwest and has seen very little uranium exploration, with little recognition of its potential for basement-hosted unconformity-related uranium mineralization. The 2014 exploration program consisted of geological mapping, rock sampling, geochemical and scintillometer surveys and a 976 line-km EM and magnetic airborne survey that generated more than 70 linear kilometers of moderate to strong multichannel EM conductors.

Historical drilling has indicated that the EM-defined central strong conductor array is the expression of at least two graphite-rich metasedimentary horizons that bracket a core of intermediate to mafic volcanic rocks of the Virgin River Shear Zone.

The Athabasca Basin arguably hosts the world's largest and richest known uranium deposits including McArthur River and Cigar Lake. McArthur River has a total proven and probably reserve of 385.5 million pounds U_3O_8 (1,062,200 tonnes @ 16.46% U_3O_8) and production of 230.5 million pounds U_3O_8 since 2000 (Bronhorst et al, 2012), while Cigar Lake has proven and probable reserves of 537,100 tonnes grading 18.3% U_3O_8 for a total of 216.7 million pounds U_3O_8 (Bishop et al, 2012). New discoveries, such as the Fission's Patterson Lake South, have demonstrated there is considerable potential to make new uranium discoveries outboard of the Athabasca Basin if the prospective structural and lithological setting is present.

During 2015, the Company compiled and reviewed the available data from the project in the context of the current basement-hosted, unconformity related uranium deposit model. The next phase of work on the property would include detailed prospecting/geological mapping, and tight soil geochemistry at grid line spacing of 100m by 25m sample spacing. Contingent on phase I results, a second phase of targeted ground EM geophysical survey lines would be completed over the best geochemical targets with the intent of refining the EW coordinate for a diamond drilling and/or trenching targets.

On August 16, 2016, the property option agreement was amended as follows: 100% of the property was transferred to the Company with no other liabilities or commitments. In consideration the Company issued 2,000,000 common shares. Eagle Plains will maintain a 2% net smelter royalty, whereby the Company will have the right to buy down such royalty to 1% for $1,000,000 on or before commencement of commercial production.

The Company wrote down the property by nil during the period ended March 31, 2017 ($96,677 during the year ended September 30, 2015 as there was no exploration work planned for the property at that stage).

Disclosure of Outstanding Share Data

The Company has an unlimited number of common shares without nominal or par value authorized for issuance.

As of May 12, 2017, the Company had 37,088,167 common shares outstanding, of which 2,867,250 shares are held in escrow as per the Exchange requirements on the Amalgamation.

As of May 12, 2017, the Company has 14,798,167 warrants outstanding with exercise prices of $0.10 to $0.20 and exercise dates of June 3, 2017 to April 19, 2019.

As of May 12, 2017, the Company has 2,750,000 stock options outstanding with exercise prices of $0.10 and expire October 26, 2021.

Liquidity and Capital Resources

At March 31, 2017, the Company held cash and cash equivalents of $48,829 (September 30, 2016 - $246,625), trade and other receivables of $8,669 (September 30, 2016 - $10,153), $92,971 (September 30, 2016 - $12,100) of prepaid expenses, a Quebec mining tax credit receivable of nil (September 30, 2016 - $58,100), trade and other payables of $151,256 (September 30, 2016 - $110,625), exploration and evaluation assets of $337,356 (September 30, 2016 - $186,356). The Company had working capital deficiency of $787 (September 30, 2016 working capital - $216,353).

On June 24, 2016, The Company completed the first tranche of a private placement financing and raised proceeds of $355,200. The first tranche closing consisted of 7,104,000 units at a price of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.10, exercisable for 24 months.

On July 21, 2016, the Company completed the second and last tranche of its private placement and raised gross proceeds of $155,000. The second tranche closing consisted of 3,100,000 units at a price of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one share at a price of $0.10 exercisable for 24 months.

The gross proceeds from the private placement are $510,200 for a total of 10,204,000 units.

The Company's continuing operations are totally dependent upon the Company's ability to obtain the necessary financing or making alternative financial arrangements to meet its obligations and pay its liabilities.

New standards, amendments and interpretations not yet adopted

Although the Company does not expect any of the following changes to have a material impact on the financial results of the Company, the Company has not yet fully assessed the impact of these standards and amendments:

IFRS 9 – 'Financial Instruments'
This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or

losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. This standard is effective for reporting periods beginning on or after January 1, 2018.

Risks and Uncertainties

Management's estimates of mineral prices, mineral resources and operating costs are subject to certain risks and uncertainties which may affect the Company's operation. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of operating requirements. The Company's success will be dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. Substantially all of the Company's operating and exploration funding must be derived from external financing. Should changes in equity market conditions prevent the Company from obtaining additional external financing; the Company will need to review its exploration and development programs and future planning.

Commitments and contingencies

As of March 31, 2017, the Company has $17,600 (September 30, 2016 - $17,600) in term deposits with a Canadian financial institution for the guarantee of business credit cards.

Under the terms of the Company's by-laws, the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company. The claims covered by such indemnifications are subject to statutory and other legal limitation periods.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity Risk – The Company ensures that there is sufficient capital in order to meet short term business requirements. The Company had a cash infusion from directors and officers subsequent to year end to provide working capital and completed a private placement financing in June and July 2016. The Company will require additional funding as these sources is not sufficient to cover short term cash requirements.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on our cash and cash equivalents. For the period ended March 31, 2017, every 1% fluctuation in interest rates up or down would have had little impact on net loss.

Commodity price risk – The value of the Company’s mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company’s control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Risk Factors

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The Company’s properties are in the exploration stage. There is no assurance that the Company’s mineral exploration and development activities will result in any discoveries of commercial bodies of minerals. The long-term profitability of the Company’s operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

Development of the Company’s properties will only be potentially pursued if favourable exploration results are obtained that demonstrate that potential economic extraction of minerals is justified.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including, but not limited to, the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable, producing mines.

Substantial expenditures are required to establish the continuity of mineralized zones through drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company’s properties can be obtained on a timely basis, if at all.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that the TSX-V or any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

Financial Capability and Additional Financing

The Company has limited financial resources, and there is no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

Mining Titles

There is no guarantee that the Company's title to or interests in the Company's property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed.

There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties.

Management

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies.

Dilution

There are a number of outstanding warrants pursuant to which additional common shares of the Company may be issued in the future. Exercise of such warrants may result in dilution to the Company's shareholders. In addition, if the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

History of Losses and No Assurance of Profitable Operations

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Environmental and Safety Regulations and Risks
Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

Fluctuating Mineral Prices
The Company's revenues, if any, are expected to be in large part derived from the sale of gold, copper, and possibly other metals. The prices of gold, copper, and other commodities have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of gold and copper due to new mine developments, mine closures, and advances in various production and technological uses for gold and copper. All of these factors will have impacts on the viability of the Company's exploration projects that are impossible to predict with certainty.

Competitive Conditions
The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have significantly greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results.

Price Volatility of Publicly Traded Securities
In recent years, the securities markets in the United States and Canada have experienced high levels of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

Inadequate Infrastructure May Affect the Company's Operations
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Related party transactions

The Company had the following related party transactions during the six months ended March 31:

(a) Bernie Kennedy, a director and former officer of the Company provided consulting services to the Company. Fees incurred during the period were $12,500 (2016 - $2,500).

(b) Sylvain Laberge, an officer and director of the Company provided consulting services to the Company. Fees incurred during the period were $30,000 (2016 - $nil).

(c) Jeff Sheppard, an officer and director of the Company provided consulting services to the Company. Fees incurred during the year were $12,000 (2016 - $nil).

(d) The Company accrued $1,450 (2016 - nil), which were recorded to administrative expenses, to Eagle Plains which has common directors with the Company.

Key Management Compensation

Six months ended March 31,	2017	2016
Consulting fees	$ 54,500	$ 2,500
Share based compensation to directors and officers	101,250	-
	155,750	2,500

Events after the reporting period

On April 19, 2017, the Company completed a private placement for gross proceeds of $193,500 as follows: issued 3,870,000 non-flow-through units at a price of $0.05 per unit. Each unit consists of one non-flow-through common share and one-half of a common share purchase warrant. Each full warrant will entitle the holder to purchase one common share of the Company at a price of $0.08, expiring April 19, 2019. No value was attributed to the warrant component of the units sold. The Company incurred share issue costs of $4,900.

On April 25, 2017, the Company entered into a Letter agreement (the "agreement") to merge with Eureka Exploration Inc. ('Eureka"), a private issuer. Pursuant to the terms of the agreement the Company will acquire all of the issued and outstanding common shares and common share purchase warrants of Eureka, by issuing 10,000,000 common shares and 900,000 common share purchase warrants of the Company. Each new warrant issued will entitle the holder to purchase one common share of the Company at a price of $.10, expiring June 29, 2018. Upon closing of the transaction two current directors of the Company will step down and Julien Davy and Benoit Lafrance will be appointed to the board of directors. In addition, Julien Davy will become the Presdent and Benoit Lafrance will become the exploration manager of the Company. The completion of the transaction is subject a number of conditions, including, but not limited to, the approval of the TSX Venture Exchange and all other necessary approvals.

Critical Accounting Estimates

The Corporation’s financial statements have been prepared in accordance with IFRS. The preparation of financial statements in accordance with IFRS required management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements. Actual results could differ from these estimates. The significant accounting policies used by the Corporation in this regard are discussed in detail in the notes to the 2016 annual audited financial statements. See Note 2 of the financial statements.

Financial Instruments
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity Risk – The Company ensures that there is sufficient capital in order to meet short term business requirements. The Company had a cash infusion from directors and officers subsequent to year end to provide working capital. The Company believes that these sources will be sufficient to cover the likely short term cash requirements.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on our cash and cash equivalents. For the period ended March 31, 2017, every 1% fluctuation in interest rates up or down would have had little impact on net loss.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

On behalf of the Board of Directors

"Sylvain Laberge"
Sylvain Laberge
President and Chief Executive Officer