



ST-GEORGES ECO-MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended March 31, 2018

INTRODUCTION

The following Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") for St-Georges Eco-Mining Corp. ("Company") should be read in conjunction with the audited financial statements for the year ended December 31, 2017 and the three months ended March 31, 2018. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts are in Canadian dollars, unless otherwise stated. Additional information relating to the Company can be found on SEDAR (www.sedar.com) under St-Georges Eco-Mining Corp. or on the Company's website (www.stgeorgesplatinum.com).

This MD&A is dated May 30, 2018.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their very nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated. The Company considers the assumptions upon which these forward-looking statements are based to be reasonable, but cautions the reader that these assumptions regarding future events, many of which are beyond the Company's control, may ultimately prove to be incorrect.

COMPANY DESCRIPTION

St-Georges Eco-Mining Corp. was incorporated under the Canada Business Corporations Act on September 21, 2002. The Company is listed on the Canadian Securities Exchange, having the symbol SX, on the US OTC, having the symbol SXOOF, and on the Deutsche Börse in Frankfurt (FSE) under the symbol 85G1. The address of the Company's corporate office and principal place of business is 230 Rue Notre-Dame West, Montreal, H2Y 1T3, Canada. The principal activities of the Company are the development of eco-mining metallurgical processes and the exploration and evaluation of mineral properties in Canada and Iceland. The Company, which is in the process of exploring its mineral properties, has two reportable segments and all of the assets are located in Canada and Iceland.

OVERVIEW

The Company is engaged in the exploration of certain mineral properties summarized as follows and described in more details in the financial statements:

Villebon Property

The Villebon Property is located within the Abitibi Greenstone Belt of northwestern Quebec.

Julie and Isoukustouc Projects

The Julie Project is located south of Lac La Blache, Quebec.

The Isoukustouc Project is located within the Manicouagan River – Manic Complex, Quebec.

Lithium Properties

The Lithium Properties are comprised of a 100% interest in certain claims located in Quebec.

Ungava Claims

During the summer of 2016, the Company acquired directly from the Quebec government 100% of the rights on certain mining exploration claims for the purpose of lithium and lepidolite exploration. This group of claims is referred to as the Ungava Claims Properties.

Le Royal Lithium Project

In October 2016, the Company completed the acquisition of a set of 5 mineral exploration claim in the lithium mining camp of LaCorne, in the Abitibi region of Quebec. The acquisition was done jointly with Lepidco Ltd. (ASX:LPD) (formerly known as Platypus Minerals Ltd.) (“Lepidco”). St-Georges currently own 90% of the project and Lepidco owns 10%. Lepidco obligations have all been met. Lepidco commissioned and paid a Technical National Instrument 43-101 Report on the project and paid all cash obligations to the vendors. The only on-going obligation of Lepidco moving forward is to provide access to its lepidolite-lithium extraction technology (L-Max®) for the Le Royal Lithium project. St-Georges issued 1,500,000 shares to the vendors in 2016 and 2,860,000 to date in 2017.

Acquisition of Iceland Resources

Iceland Resources EHF (“Iceland Resources”) is a privately-owned Icelandic corporation with gold/silver/copper/cobalt/zinc projects in Iceland. Iceland Resources currently has 9 defined mineral exploration and development projects in Iceland (8 licenses or license applications held directly and one within a Joint-Venture). Other opportunities are being sought after with the collaboration of St-Georges (with the possibility to deploy St-Georges technologies result from its R&D initiatives).

Iceland is an important producer and developer of geothermal energy. St-Georges’ management has been active over the last few years in Iceland with the goal of securing access to geothermal operations to test the development of technologies allowing the extraction of lithium and light minerals from the brines being pumped from the geothermal wells and for the extraction of a large variety of precious and base metals found in the mud rejected from the same operations.

On March 16, 2017, the Company announced that it had successfully completed its due diligence review of Iceland Resources EHF and signed a final definitive acquisition agreement. St-Georges would then own all of the outstanding shares of Iceland Resources. St-Georges’ new subsidiary now owns multiple polymetallic exploration & development projects in Iceland and has direct or indirect access to all active mineral tenure, claims and mineral leases in Iceland.

Nomination to the Board of Directors

Mr. Vilhjalmur Thor Vilhjalmsson, CEO and biggest shareholder of Iceland Resources, joined the board of St-Georges. Vilhjalmur has been a director of civil construction companies, financed and managed mining and mining service corporation and has been involved in the mining exploration business for over 20 years. Vilhjalmur also worked as an investment banker in City in London for over a decade.

The Opportunity

Iceland Resources EHF is an Icelandic corporation with gold/silver/copper/cobalt/zinc projects in Iceland. Amongst its projects are the 100% owned Reykjanes developmental project just south of the capital Reykjavik and encompassing the town of Keflavik and the gold project of Thormodsdalur located approximately 10km east of the city limits of the capital Reykjavik.

Terms of Acquisition

St-Georges has created a subsidiary that became the owner of 60% of Iceland Resources. 40% of this subsidiary will be owned by the Iceland Resources shareholders. Additionally, St-Georges makes the following commitments:

- Issuing 6,000,000 common shares of St-Georges to Iceland Resources' shareholders with a 12-month escrow release schedule (issued);
- Issuing a \$350,000 debenture, bearing a 6% annual interest (cash or shares), maturing in November 2026 to be distributed to Iceland Resources' shareholders and some creditors (issued); and
- \$1,000,000 of expenditure on the Icelandic assets over the next 24 months, including mineral exploration expenses and metallurgical process research & development (initiated).

Kings of the North Corp. ("KOTN")

During the year ended December 31, 2017, the Company established a wholly-owned subsidiary, Kings of the North, to facilitate mining transactions in Canada.

On November 14, 2017, the Company reported that its newly formed subsidiary (KOTN), planned to "farm-in" the Hemlo North Gold Project.

KOTN entered into a Letter of Intent ("LOI") with Canadian Orebodies (TSX-V: CORE, "CORE") in order to option or "farm-in" CORE's Hemlo North Project. Hemlo North is located approximately 17 km northeast of the Hemlo gold mine in the Ontario's Marathon district. It covers approximately 6,800 hectares. A highway bisects the project providing good access to much of the property. A recent NI 43-101 Technical Report was completed in December, 2016.

KOTN's interest in the project is driven by the similarity of formations within the project boundaries and at the nearby Hemlo Mine. These porphyry bodies contain gold within and adjacent to the property boundaries of the Hemlo North project. In addition, multiple gold and precious metal targets occur within banded iron formation and volcanic hosted massive sulfides. KOTN believes the multitude of gold and base metal targets generated by past work coupled with geophysical anomalies and historic drilling have de-risked the next phase of exploration.

Terms of the Transaction

The LOI describes the terms and the conditions that should lead to a formal agreement. The parties agree that the Definitive Agreement will not be entered into until KOTN can demonstrate that it has raised at least \$3,000,000 in equity financing.

In order to acquire an initial 50% interest in the Hemlo North Project, KOTN agrees to:

- Pay to CORE a \$50,000 cash deposit, on or before December 31, 2017

- Upon execution of the Definitive Agreement, issue to CORE a \$350,000 principal amount secured convertible note bearing interest at a rate of 15% per annum, calculated monthly but payable on maturity. The principal and accrued interest under the First Convertible Note will be convertible at the option of the holder at any time into common shares of KOTN at a conversion price equal to the lesser of the volume-weighted average price of KOTN's common shares for the 20 trading days prior to conversion or, if KOTN is not a public company at the time of conversion, the price or deemed price per KOTN common shares in the most recent transaction in which KOTN issued common shares or securities convertible into KOTN common shares.
- Incur or cause to be incurred exploration expenditures of \$2,000,000 on the properties before December 31, 2018

In order to acquire an additional 25% interest in the Hemlo North Project (for a total of 75%), KOTN agrees to:

- Issue to CORE a \$650,000 principal amount secured convertible note bearing interest at a rate of 15% per annum, calculated monthly but payable on maturity. The principal and accrued interest under the Second Convertible Note will be: (a) convertible at the option of the holder at any time prior to KOTN's becoming a Public Company into common shares of KOTN at a conversion price equal to the price or deemed price per KOTN common share in the most recent transaction in which KOTN issued common shares or securities convertible into KOTN common shares; and (b) if not previously converted, shall be automatically converted at the deemed stock exchange listing price of KOTN's common shares upon KOTN's becoming a Public Company.
- Incur or cause to be incurred an additional \$2,000,000 in exploration expenditures on the Properties and provide a NI 43-101 technical report before December 31, 2019.

In order to acquire an additional 10% interest in the Hemlo North Project (for a total of 85%), KOTN agrees to deliver a positive pre-feasibility study (with going forward recommendations) on the Project before December 31, 2021.

Canadian Orebodies Buyback Option

CORE has the option to buy back up to a 25% interest in the Properties by making the following payments to the Purchaser:

- \$1,000,000, and
- $300\% \times (\text{the qualified expenditures incurred by the Purchaser, as well as any amounts incurred in relation to the production of a technical report and/or a pre-feasibility study}) \times (\text{percent interest to be bought back by the Vendor})$

Kings of the North and Canadian Orebodies shall provide additional information in regards to the contemplated transaction and its progress in the coming weeks.

Winter House Option

On December 17, 2017, St-Georges announced that KOTN entered into an option agreement to acquire a 100% interest in the Winter House project.

In consideration for the 100% interest in the Property, KOTN will issue an aggregate of 6,000,000 Shares, assume \$140,000 in current and on-going exploration expenses and grant a 3.5% net smelter return royalty on the Property.

On exercise of the Option, KOTN will have 18,000,000 Shares outstanding, of which St-Georges will hold 67%.

About the Winter House Project

The Winter House Project consists of 63 map-designated cells covering a surface area of 3,290 hectares (approximately 33 sq. km) and is located approximately 95 kilometres west of the town of Fermont, on the Quebec North Shore.

The Winter House project is part of the Superior geological province and is mainly composed of volcano-sedimentary rock assemblages of the Courcy and Soulard formations in contact with tonalites of the eastern Opatica Subprovince. Winter House is adjacent to the eastern border of Stelmine Canada's Courcy project, which exposed gold mineralized zones, grading up to 24.8 g/t Au in grab samples (see Stelmine Canada PR dated October 17 of 2017) and up to 167 g/t Au over 0.5 metres in channel samples and up to 4.27 g/t Au over 42 m, including 12.15 g/t Au over 13.5 m in drill samples (Source SIGEOM: GM61872 and GM 62834).

Based on historical work, the Winter House project shows strong electromagnetic anomalies detected by a MAG-AeroTEM (magnetics and electromagnetics) airborne geophysical survey performed in 2008. These anomalies extend over a few kilometres and could represent potential targets for gold. During the summer of 2017, a follow-up reconnaissance program on the ground allowed the vendors to collect a total of 123 bedrock (surface) grab samples on these geophysical anomalies. These samples have been submitted for analyses for gold and a package of multi-elements. The results from these analyses are pending and will be released as soon as all results are received and compiled.

Lithium Extraction Technologies

On December 7, 2017, St-Georges announced that it had entered today into a final agreement to deploy its proprietary lithium extraction suite of technologies.

St-Georges and Iconic Minerals Ltd (TSX-V:ICM) entered into a definitive exclusive technology licensing agreement for all sites to be operated by Iconic and/or its affiliates in the state of Nevada.

In return for a perpetual license for the technologies and its future improvements, Iconic will pay to St-Georges:

- Invest by way of private placement CAD \$100,000 in St-Georges equity within 6 months.
- Issue in total 5 million common shares (the "Shares") of Iconic to be released in stages, based on benchmarks reached. The performance schedule outlining the stages of each development phase where Shares will be issued according to the schedule below:

-2,000,000 shares at Stage 1 Benchmark completion: which is defined by the delivery of an independent laboratory report currently commissioned to Dundee Sustainable Technologies by St-Georges;

-1,500,000 shares at Stage 2 Benchmark completion: which is defined by independent report describing results of initial pilot mining operations and the processing of a minimum of one (1) metric ton in a simulated industrial environment; and

-1,500,000 shares at Stage 3 Benchmark completion: which is defined by the reception of a Preliminary Economical Assessment Report (PEA) or at commercialization decision or the third (3rd) year anniversary mark of this agreement assuming other issuance have all been done;

The Shares St-Georges earn in each stage will be escrowed for the duration of 36 months.

- A perpetual Net Revenue Interest Royalty (NRI) of 5% on all minerals produced on sites licensed with SX technologies;

SX Lithium recovery for Clays and Hard Rock Technology

SX technology process lithium bearing material in three (3) phases:

1. Concentrates the lithium bearing material.
2. Converts the lithium to a salt and purifies it through lithium selection. The process involves gasification to activate the lithium and selectively removing the lithium salt from the other elements with the usage of a proprietary technique, which will be kept confidential at this stage.
3. It involves purification and direct production of lithium carbonate or lithium hydroxide and can be linked to a lithium metal production.

ZeU CryptoNetworks – Blockchain Technology

On January 4, 2018, St-Georges announced the signing of a significant, non-arm's length blockchain and smart contract technology license agreement (the "License"), with Qingdao Tiande Technologies Inc., ("Tiande"). Tiande is led by world-renowned blockchain expert, Dr. Wei-Tek Tsai, who initiated the first academic laboratory dedicated to blockchain research and education in China at Beihang University's School of Computer Science and Engineering.

Under the terms of the License, Tiande has granted St-Georges an exclusive license to use Tiande's proprietary technologies, patents and know-how to develop and commercialize novel mineral commodity production chain control, tracking and trading exchanges. In consideration for the rights granted under the License, SX shall pay to Tiande a royalty of 8% of the gross revenues derived from the Licensee.

In order to accelerate development and better accommodate future financings, SX will assign the License to its newly formed wholly owned subsidiary, ZeU Crypto Networks Inc. ("ZeU") in consideration of 20,000,000 common shares of ZeU.

On January 14, 2018, St-Georges announced that ZeU had entered into a non-binding letter of intent ("LOI") to acquire all of the Blockchain and Smart Contract Technologies assets of Tiande, a Chinese private company.

Pursuant to the terms of the LOI, the proposed consideration for the Transaction is an aggregate amount of CND\$150 million payable through the issuance of 150,000,000 common shares and 75,000,000 shares purchase warrants in the capital of ZeU. Each warrant will entitle the holder to acquire one share at a price of CND\$1.00 for a period of three years following the date ZeU completes a transaction pursuant to which its common shares will either be listed on a recognized stock exchange in North America, or will be exchanged for common shares of a reporting issuer listed on a recognized stock exchange in North America.

On February 8, 2018, the Company announced that its previously announced letter of intent dated January 12, 2018 has been amended. The general terms of the LOI, which referred to Qingdao Tiande Technologies Limited instead of Qingdao, were previously announced by press release dated January 14, 2018.

ZeU, Qingdao and Beijing Tiande Technologies Inc. ("Beijing" and collectively with Qingdao, "Tiande") entered into the amendment to the LOI (the "Amendment"), which has extended the date by which the parties will conclude the execution of a definitive agreement on or around February 19, 2018 or such later date as may be mutually agreed upon by the parties. The proposed acquisition is subject to a number of terms and conditions, including but not limited to, the completion of a concurrent financing not less than \$10,000,000 and up to \$30,000,000 that can be done in tranches and the receipt of all necessary regulatory, corporate and third party approvals.

The Amendment also revised the consideration structure, such that the proposed Acquisition will now be settled through the issuance of 75,000,000 common shares of ZeU (each a "Share") and 75,000,000 Share purchase warrants (each a "Warrant") on Closing and an additional 75,000,000

Shares after the issuance of the 20th patent derived from the intellectual property and patent application acquired from Tiande. Each Warrant will be exercisable at a price of CND\$1.00 for a period of three (3) years following the date ZeU completes a transaction pursuant to which its Shares will either be listed on a recognized stock exchange in North America, or will be exchanged for common shares of a reporting issuer listed on a recognized stock exchange in North America.

On February 26, 2018, St-Georges announced that, further to its January 15 and February 8, 2018 press releases, its wholly owned subsidiary ZeU Crypto Networks Inc. has signed a definitive asset purchase agreement dated February 23, 2018 with Qingdao Tiande Technologies Limited and Beijing Tiande Technologies Limited with the intervention of Guiyang Tiande Technologies Limited to purchase substantially all the intellectual property of the Vendors.

The following are the material terms of the agreement:

- ZeU will acquire the Vendor's intellectual property (including without limitation, all intellectual property and patent applications directly or indirectly related to the Blockchain and smart contract technologies of the Vendors (the "Blockchain Technology"), including without limitation, BigData, loB, Sandbox) (the "IP")
- the Vendors will complete: (i) the transfer and successful employment by ZeU of all key employees; (ii) the transfer and assignment of all the IP to ZeU; (iii) the obtaining of all regulatory approvals should they be required; and (iv) the obtaining of all required consents including all consents from clients and collaborators pursuant to the existing contracts of the Vendors (the "Milestone Conditions")
- ZeU, the Vendors and key collaborators will enter into a license agreement and non-competition covenant which will provide, among other things, that ZeU shall irrevocably grant a perpetual, exclusive, transferable and sub-licensable license to the Vendors for use of the Blockchain Technology in China, Hong Kong and Taiwan
- ZeU will have completed or caused to be completed prior to the Closing Date a debenture financing of not less than \$10,000,000 and up to \$30,000,000 (the "Concurrent Financing")

The purchase price for the Acquisition shall be up to 150,000,000 common shares of ZeU and 75,000,000 share purchase warrants to the Vendors, satisfied by (i) the delivery of a total of 65,000,000 Shares and 75,000,000 Warrants on the closing date of the Acquisition, (ii) to the extent and only if all of the Milestone Conditions are satisfied, the delivery of an additional 10,000,000 Shares, within 3 Business Days following the satisfaction of the Milestone Conditions or the Closing Date (whichever is later) and (iii) to the extent and only if twenty (20) new patents pertaining to the Blockchain Technology are issued, the delivery of an additional 75,000,000 Shares, within 3 Business Days following the satisfaction of the patent condition.

Each warrant will be exercisable at a price equal to the conversion price pursuant to the concurrent financing for a period of three years following the date ZeU completes a transaction pursuant to which its Shares will either be listed on a recognized stock exchange in North America, or will be exchanged for common shares of a reporting issuer listed on a recognized stock exchange in North America.

The Acquisition remains subject to a number of conditions as set forth in the agreement, including the completion of the Concurrent Financing, the receipt of all requisite regulatory approvals and satisfaction of closing conditions contained in the agreement.

QUALIFIED PERSON

The technical information disclosed in this MD&A has been reviewed and approved by Joel Scodnick, P.Geo., Vice-President, Exploration for St-Georges and a Qualified Person, as defined by National Instrument 43-101 for the *Standards of Disclosure for Mineral Projects*.

Equity transactions

On February 28, 2017, the Company issued 6,450,000 Common shares as payment for the acquisition of Iceland Resources EHF at a fair value of \$129,000.

On May 30, 2017, the Company issued 860,000 common shares at a fair value of \$43,000. This was payment for the second payment of the acquisition of the Le Royal Property and finder's fee.

In October 25, 2017, the Company issued an additional 2,000,000 common shares for a fair value of \$130,000 as third payment for the acquisition of the Le Royal Property.

On December 14, 2017, the Company completed a private placement of 6,000,000 units priced at \$0.10 per unit, for total proceeds of \$600,000. The Company incurred cash issuance costs of \$42,000 and issued 300,000 finder warrants with a fair value of \$33,602. Each unit consists of one common share and one non-transferrable warrant entitling the holder to acquire one additional common share at an exercise price of \$0.15 for a period of 24 months from the initial issue date.

In November 2017, 4,250,000 warrants were exercised at \$0.04 per share for gross proceeds of \$170,000, convertible debentures were converted for 1,639,414 common shares and 819,707 share purchase warrants to settle debentures in the amount of \$115,000 and 500,000 shares were issued to acquire the remaining 50% interest in lithium claims.

In December 2017, 7,540,479 warrants were exercised for gross proceeds of \$397,286 at \$0.04, \$0.06 and \$0.075 per share purchase warrant. Convertible debenture were converted to 5,500,458 common shares and 2,750,229 share purchase warrants to settle debentures in the amount of \$315,770. Options were exercised for 400,000 common shares at a price of \$0.075 for gross proceeds of \$30,000. The company issued 6,000,000 common shares in a private placement for gross proceeds of \$600,000. Share issuance costs related to this placement include Finders fees of \$42,000 paid in cash and 300,000 finder's warrants with a fair value of \$33,602. Investor relations debt of \$137,442 was settled for 1,469,203 common shares with a fair value of \$249,765 resulting in a loss on settlement of \$112,323.

During the period ended March 31, 2018, the Company issued 1,868,603 common shares for \$157,452 as payment to settle debentures.

During the period ended March 31, 2018, the Company issued 11,813,960 common shares for \$1,923,981 for the exercise of warrants.

RESULTS OF OPERATIONS

For the year ended December 31, 2017, the Company recorded a net loss of \$1,138,506 (2016 - \$828,227) and had a cumulative deficit of \$14,047,730 (2016 – \$12,903,412). The Company had no source of operating revenues or any related operating expenditures.

SELECTED ANNUAL INFORMATION

For the years ended December 31	2017	2016	2015
	\$	\$	\$
Revenues	-	-	-
Operating expenses	(1,012,533)	(352,267)	(137,259)
Net loss and comprehensive loss for the year	(1,138,506)	(828,227)	(12,268)
Basic and diluted loss per share	(0.02)	(0.02)	(0.01)
As at December 31		2017	2016
		\$	\$
Cash and cash equivalents		779,412	988
Working capital (deficiency)		115,790	(333,156)
Exploration and evaluation assets		1,560,121	554,792
Total assets		2,374,567	595,018
Shareholders' equity		1,231,174	119,747

For the year ended December 31, 2017, the Company had no revenues.

The Company incurred a net loss and comprehensive loss for the year of \$1,138,506 for the year ended December 31, 2017 compared to \$828,227 for the year ended December 31, 2016. The increase in the loss is primarily due to an increase in management fees to \$330,500 (2016 - \$Nil) and subcontractors fees to \$109,000 (2016 - \$42,000) as the Company acquired new and complex projects. Interest and accretion charges increased to \$244,157 (2016 - \$21,259) as a result on interest bearing convertible debentures in the current year. This was somewhat offset by a reduction of impairment of exploration and evaluation assets to \$Nil (2016 - \$547,168). Further details are available in the analysis below.

For the year ended December 31, 2016, the Company had no revenues.

The Company incurred a net loss and comprehensive loss for the year of \$828,227 for the year ended December 31, 2016 compared to \$12,268 for the year ended December 31, 2015. The increase in the loss is primarily due to an increase in impairment of exploration and evaluation assets of \$547,168 (2015 - \$198,692) and stock-based compensation payments of \$109,026 (2015 - \$nil). Further details are available in the analysis below.

On July 15, 2016, last amended on October 7, 2016, the Company entered into an Option Agreement with Lepidco Ltd. (formerly Platypus Minerals Ltd.) ("Lepidco") detailing the key commercial terms to jointly acquire up to a 100% interest in the Le Royal Lithium Project located approximately 30 km north of the city of Val d'Or in Quebec. During the year ended December 31, 2016, the Company issued 1,500,000 shares towards the acquisition.

On November 16, 2016, the Company entered into a Binding Term Sheet with Iceland Resources EHF ("Iceland Resources"), a junior mining exploration company incorporated under the laws of the Republic of Iceland, with a focus on the Scandinavian region.

Expenses

For the years ended December 31, 2017 and 2016.

For the years ended December 31	2017	2016
	\$	\$
Consulting	76,221	77,825
Professional fees	45,738	1,640
Subcontractors	109,000	42,000
Publicity and promotion	78,635	62,792
Management fees	330,500	-
Office expenses	8,682	4,768
Brokerage fees	28,670	18,760
Travel expenses	52,556	4,821
Financial fees and bank charges	493	9,376
Interest on Convertible Debentures	244,157	21,259
Stock based compensation	37,881	109,026
Impairment of exploration and evaluation assets	-	547,168
Loss on debt settlement	112,323	-
Write off of accounts payable	-	(71,208)
Other income – write off of liability	(24,174)	-
Other expenses	43,636	-
Gain on foreign exchange	(5,812)	-
Loss and comprehensive loss	1,138,506	828,227

Impairment charge on Exploration and Evaluation Assets

In the prior year, the Company evaluated its Exploration and Evaluation Assets and determined that there were indicators of impairment. As a result, the Company recorded an impairment charge in 2016 of \$547,168 for the Company's Julie Project and was based on the determination that insufficient work was being completed to maintain all of the mining claims.

No impairment was determined to be required in fiscal 2017.

SUMMARY OF QUARTERLY RESULTS

The following table outlines selected unaudited financial information of the Company for the last eight quarters.

	<i>Mar. 31,</i>	<i>Dec. 31,</i>	<i>Sep. 30,</i>	<i>Jun. 30,</i>
	<i>2018</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
Total assets	3,438,516	2,374,567	851,642	934,044
Working capital (deficiency)	120,266	150,784	(618,464)	(492,601)
Shareholders' equity (deficiency)	1,963,530	1,231,174	(280,377)	(132,880)
Revenue	-	-	-	-
Net loss	(547,681)	(519,953)	(145,032)	(221,774)
Net loss per share	(0.01)	(0.01)	(0.01)	(0.00)
	<i>Mar. 31,</i>	<i>Dec. 31,</i>	<i>Sep. 30,</i>	<i>Jun. 30,</i>
	<i>2017</i>	<i>2016</i>	<i>2016</i>	<i>2016</i>
Total assets	593,189	595,018	1,095,334	1,076,952
Working capital (deficiency)	(581,882)	(333,156)	(270,983)	(272,950)
Shareholders' equity	(132,000)	119,747	651,624	653,177
Revenue	-	-	-	-
Net income (loss)	(251,747)	(423,303)	(312,653)	(64,754)
Net income (loss) per share	(0.01)	(0.01)	(0.01)	(0.00)

THREE MONTHS ENDED MARCH 31, 2018

For the three months ended March 31, 2018 and 2017, the Company had no revenues.

The Company incurred net losses for the period of \$547,681 (2017 - \$251,747). The increase in the loss is primarily due to an increase in consulting fees to \$98,750 (2017 - \$16,667) and management fees to \$273,500 (2017 - \$216,750) as a result of increased requirements due to its increased projects in the current period. Publicity and promotions also increased to \$91,027 (2017 - \$5,433) as a result of the Company's efforts to raise capital and increase awareness of its new projects. Travel costs also increased to \$60,405 (2017 - \$nil) due to extensive travel requirements for the new projects in the current

LIQUIDITY AND CASH FLOW

At March 31, 2018, the Company had cash of \$1,088,350 (December 31, 2017 - \$717,198) and working capital of \$120,266 (December 31, 2017 - \$115,790).

For the period ended March 31, 2018 significant cash flows were as follows:

Net cash used in operating activities for the period was \$145,972. Net loss for the period of \$547,682 included non-cash transactions for accrued interest on debentures of \$5,250. Net changes in working capital items were \$396,460.

Net cash used in investing activities for the period was \$655,998 towards acquisition and exploration costs on the various projects.

Net cash provided by financing activities for the period was \$1,173,121. The company paid \$106,916 to settle amounts for its convertible debenture and accounts payable and received net funds of \$1,280,037 from share issuances for the exercise of warrants.

From January to May 2018, the company had the following share capital activity:

- Exercised 1,500,000 warrants at a price of \$0.06 for gross proceeds of \$90,000;
- Exercised 2,379,332 warrants at a price of \$0.075 for gross proceeds of \$178,450;
- Exercised 7,934,628 warrants at a price of \$0.30 for gross proceeds of \$2,380,388; and
- Issued 1,868,603 common shares on conversion of \$40,000 face value plus \$2,452 accrued interest of the 2017 Debentures and \$115,000 face value of the 2013 Debentures.

FINANCIAL RISK MANAGEMENT AND FINANCIAL ESTIMATES

Financial Risk

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties.

The Company's exposure to potential loss from financial instruments is primarily due to various market risks, including interest rate, liquidity and credit risk. There has been no change in the financial risk of the Company during the period.

Market Risk

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchanges rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk

exposures and how those exposures are currently managed.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company may have to issue additional common shares or conclude private investments.

As at March 31, 2018, the Company has current liabilities and accrued liabilities of \$1,008,908 due within 12 months and has cash and cash equivalents of \$1,088,350 to meet its current obligations. As a result, the Company may face liquidity risk as it expends funds towards its projects.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's credit risk is due mainly to its other receivables.

The Company's statement of financial position is presented net of any allowance for doubtful advances established on a case by case basis. This amount best represents the Company's maximum exposure to any potential credit risk. As of March 31, 2018, the allowance for doubtful advances was \$Nil (2016 - \$Nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market-interest rates. The Company's convertible debentures fixes interest at 6% per annum and accordingly is not subject to cash flow interest rate risk due to changes in the market rate of interest. The Company does not use financial derivatives to reduce its exposure to risk. The management of the Company considers its interest rate risk is minimal.

Fair Value Measurement

Fair value is 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 present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The carrying amount and fair value of financial instruments, with the exception of the secured debenture, are considered to be a reasonable approximation of fair value because of their short-term maturities.

The carrying values of the convertible debentures approximate its fair value at the reporting date because the convertible debentures was calculated by discounting future cash flows using rates that the Company would otherwise use for such debt with similar terms, conditions and maturity dates, adjusted for the Company's credit risk. Management believes that no significant change occurred in the risk of these instruments.

CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2018, the Company's shareholders' equity was \$1,963,530 (December 31, 2017 – \$1,231,174). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current

financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these objectives, management monitors the Company's capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

Capital for expansion comes mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties, and for working capital purposes. Additional funds are required to finance the Company's corporate objectives. There was no change in the Company's capital management policy for the period ended March 31, 2018.

The Company is not currently exposed to any externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

a) Related party transactions

During the period, the Company incurred the following transactions with related parties not disclosed elsewhere in the financial statements:

	Mar. 31, 2018	Mar. 31, 2017
	- \$ -	- \$ -
Management or Administration fees paid or accrued to directors or companies controlled by directors ^{1, 2, 3, 4, 5, 6, 7, 8, 9}	439,500	216,750

¹ Frank Dumas, President, Director and CEO

² Mark Billings, Chairman, Director

³ Neha Tally, Corporate Secretary

⁴ Enrico Di Cesare, Director

⁵ Richard Barnett, CFO

⁶ Wei-Tek Tsai, Director

⁷ Joel Scodnick, Qualified Person

⁸ Herb Duerr, Director

⁹ Gary Johnson, Director

These amounts will be settled by either cash payments or issuing securities.

b) Due to Related Parties

At March 31, 2018, included in accounts payable and accrued liabilities is \$417,635 (December 31, 2017 - \$284,078) owing to related parties.

These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

c) Stock options granted

On July 19, 2016, the Company granted 2,900,000 stock options to directors and officers to acquire common shares of the Company at an exercise price of \$0.075 per share, vesting immediately and expiring on July 19, 2021.

On July 28, 2016, the Company granted 200,000 stock options to acquire common shares of the Company at an exercise price of \$0.075 per share, vesting over 12 months and expiring on July 28, 2019.

On August 8, 2016, the Company granted 400,000 stock options to acquire common shares of the Company at an exercise price of \$0.075 per share, expiring on August 8, 2017.

On June 1, 2017, the Company granted 775,000 stock options to acquire common shares of the Company at an exercise price of \$0.075 per share, expiring on June 1, 2022.

Outstanding Share Data

As at March 31, 2018, the Company has 103,681,162 shares outstanding and at the current date has 103,931,162 shares outstanding.

RISK FACTORS

Exploration

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labour disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment and others, such as aboriginal claims and government regulations, including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resource produced, the Company may decide not to undertake or continue commercial production.

There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

The Company does not presently have sufficient financial resources to undertake its planned exploration and development programs. Development of the Company's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Company will

succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of platinum, palladium, rhodium, copper, cobalt, nickel, carbon graphite and any other mineral discovered are outside the Company's control. The impact of these factors cannot be accurately predicted. Resource prices can fluctuate widely and have done so in recent years.

Risks Not Covered by Insurance

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

signed "Francois Dumas"
President and Chief Executive Officer

signed "Richard Barnett"
Chief Financial Officer