

# ALTAIR RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

This discussion and analysis of financial position and results of operation is prepared as at February 24, 2017 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the nine months ended December 31, 2016 of Altair Resources Inc. (the "Company" or "Altair"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

### Forward-Looking Statements

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### Company Overview

The Company was incorporated on November 17, 2005 under the provisions of the Company Act (British Columbia). On February 2, 2016 the Company changed its name from Altair Gold Inc. to Altair Resources Inc. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange ("TSXV") as a Tier 2 issuer, under the symbol "AVX" and on the Frankfurt Exchange under the symbol "90A". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

The Company is a junior mineral exploration company currently engaged in the acquisition, exploration and development of mineral resource properties. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties.

On December 5, 2014 the Company terminated the letter agreement for an option to earn up to a 75% interest in the Kena gold project (the “Kena Project”), located in northern British Columbia, and, accordingly, recorded an impairment of \$2,147,362 in fiscal 2015 on the write-off of the costs incurred on the Kena Project.

In September 2015 the Company agreed to acquire a 90% interest in an exploration license in the Republic of Kosovo. Subsequent to fiscal 2016 the Company has entered into agreements to acquire various private companies with interests in mineral resource properties in the province of Quebec, Canada and a mineral resource property in Peru. See “Property Agreements” below.

On August 25, 2016 the Company completed a non-brokered private placement of 1,360,000 units, at a price of \$0.20 per unit for proceeds of \$272,000.

The Company agreed to conduct a non-brokered private placement financing of 4,500,000 units, at a price of \$0.20 per unit, for proceeds of \$900,000. On December 14, 2016 the Company completed a first-tranche closing and issued 2,500,000 units for \$500,000 and, on January 16, 2017 completed a final-tranche of 2,000,000 units for \$400,000.

### **Officers and Directors**

On February 6, 2017 the Company announced the sudden passing of its Chairman and Chief Executive officer (CEO), Mr. John Huguet. On February 7, 2017 the Company appointed Mr. Roy Shipes, the President, Chief Operating Officer (“COO”) and a director of the Company, as CEO.

The Company’s current board of directors and officers as of the date of this MD&A are as follows:

Mr. Roy Shipes	Director, President, CEO and COO
Mr. Robert Naso	Director and Chief Financial Officer (“CFO”)
Dr. Aylin Cecen Aksu	Director
Mr. Bruce Reid	Director
Mr. Nick DeMare	Corporate Secretary

The audit committee is comprised of Messrs. Naso and Reid and Dr. Aksu.

### **Property Update**

#### ***Republic of Kosovo***

##### *Invictus Project, Kosovo*

In September 2015 the Company signed a binding option agreement, as amended (collectively the “Cerpulje Agreement”), to acquire a 90% interest in the common shares of A.G.J.A SH.P.K. (“AGJA”), a private company registered in the Republic of Kosovo. AGJA holds an exploration license, now known as the “Invictus Project”, in the Republic of Kosovo. During February 2017 the Company completed the acquisition of AGJA whereby it paid a total of US \$300,000. The Company also paid a total of US \$15,000 as finder’s fees to Dr. Aksu, who, subsequent to the Cerpulje Agreement, was appointed as a director of the Company.

On May 16, 2016 the Company filed a NI 43-101 technical report entitled “Technical Report for the Crepulja (sic) Property, Mitrovica District, Kosovo” (the “Technical Report”) dated December 15, 2015 with an effective date of November 15, 2015 prepared by Perry Grunenberg, P. Geo. of PBG Geoscience, Kamloops, BC. The Technical Report may be viewed under Altair’s profile on [www.sedar.com](http://www.sedar.com).

The Invictus Project is located seventeen kilometers due west of the city of Mitrovica in North Kosovo and consists of a single exploration license of 9.82 square kilometers. The Invictus Project covers a zinc and lead exploration license which will be explored for possible high grade zinc and lead targets. The first year work program has been approved by the Independent Commission of Mining and Minerals of Kosovo.

Phase 1 of the proposed work program would involve the following:

- (i) re-establishing the historic trenches to reveal the mineralized zones;
- (ii) expanding the trenching beyond the historically worked zones;
- (iii) short diamond drill holes aimed to intercept the oxide mineralization beneath the trenched zones; and
- (iv) ground Induced Polarization (“IP”) survey conducted over the target areas.

Phase 2 would be dependent upon the success of Phase 1, including the diamond drilling for deeper sulphide mineralization.

The cost for Phase 1 trenching, drilling, and IP geophysical surveying is estimated at \$198,800. The cost for Phase 2 drilling is estimated at \$272,000. Total Phase 1 and 2 cost is estimated at \$470,800.

During May and June, 2016 a field program was undertaken on the Invictus Project. Three existing trenches were re-exposed and were also extended, and five new trenches were completed. Limited prospecting was also undertaken. The results of this work not only confirmed the high lead and zinc values reported during previous work but also discovered high grade mineralization in four new areas. These new discoveries extended the zone of good grade lead zinc mineralization, which has been trenched, by approximately an additional 300 metres to over 450 metres.

Eighteen samples were collected from the trenches and one surface grab sample was collected from a surface exposure.

Five new trenches were completed; trench numbers eight through twelve. In addition, one sample (#19) was collected from a newly discovered outcrop. Results from these new trenches and newly discovered outcrop are presented in the following table:

Trench No.	Trench Length (m)	Sample No.	From (m)	To (m)	Int (m)	Zn (%)	Pb (%)
8	15.0	14	3.1	5.2	2.1	35.80	2.77
		15	5.2	7.7	2.5	37.02	1.75
9	14.0	No mineralization encountered					
10	12.5	18	1.7	3.4	1.7	36.57	3.95
11	20.5	6	0.0	6.4	6.4	1.69	0.43
		5	6.4	7.3	0.9	41.39	2.27
		4	13.5	15.0	1.5	34.79	3.66
12	17.7	3	11.0	11.8	0.8	28.90	5.21
		2	13.0	14.6	1.6	1.09	1.53
		1	15.6	16.5	0.9	4.53	2.13
Outcrop	-	19	-	-	-	38.28	1.80

Portions of trenches 1, 2 and 3, which were originally excavated in 1974, were re-opened, deepened and widened. Nine samples were collected during this summer's program. The results of these samples are presented in the following table:

Trench No.	Trench Length (m)	Sample No.	From (m)	To (m)	Int (m)	Zn (%)	Pb (%)
1/1	30.0	7	9.2	13.8	4.6	27.90	2.30
		8	13.8	17.9	4.1	0.63	0.22
		9	17.9	20.7	2.8	34.74	3.36
		10	20.7	22.2	1.5	19.70	1.96
2/1	41.3	11	10.0	12.9	2.9	37.98	4.78
		12	12.9	15.8	2.9	14.30	1.97
		13	15.8	18.8	3.0	29.92	3.24
3/1	20.5	16	7.0	9.5	2.5	32.06	4.02
		17	9.5	14.5	5.0	20.60	2.30

The samples collected during this program were submitted to the ALS Laboratory in Bor, Serbia where they were initially crushed and pulverized prior to a split being analyzed. The samples were initially analyzed for 33 elements using the ME-ICP61 technique. Where the samples exceeded the upper limit of 1% for zinc and/or lead they were then analyzed using the Zn-OG62 and Pb-OG62 techniques respectively. A number of samples exceeded the 30% zinc upper limit and were then analyzed using the Zn-AAORE technique.

The Company considers the trenching program to have enhanced the potential of the Invictus Project. Not only have the results confirmed the high lead and zinc values reported during previous work but also have discovered high grade mineralization in four new areas. These new discoveries extend the zone of high grade lead zinc mineralization, which has been trenched, to over 450 metres.

The Company commenced a gravity surveying program in mid-February 2017 to check not only the above described target area but also on a broader scale for the possibility of a large target within this belt of limestones and schists that host numerous rich surface showings and some historical underground workings. The surface target zone on the property extends over 5 kilometers in length and 200-300 meters in width.

A diamond drilling program is scheduled to commence in early April 2017. The drilling program will initially test the zinc continuity in a target zone 500 meters long by 300 meters wide and 50 meters deep. The geologists have identified this zone as containing smithsonite mineralization, thereby explaining the high grades encountered. Smithsonite mineralization is usually caused by the supergene cycle of enrichment overlying the hypogene cycle. The Company intends to test the depth of these surface showings and test the continuity of this occurrence with the first phase of the drill program. This will be a results-driven drill program. If the Company is successful in proving continuity it is most likely the Company will expand the drilling, both in length and depth to further test the extent of the zinc mineralization. If this is the case, the Company will need to go back to the market for additional financing. If the results do not justify going further the Company will terminate the project.

### ***Quebec, Canada***

#### *White Hills Lithium Property, La Motte Township, Quebec*

On May 4, 2016 the Company signed a purchase agreement to acquire a mineral resource property (the "White Hills Property") located in the Province of Quebec. On May 26, 2016 the Company completed the purchase by paying \$10,000 cash and issuing 1,000,000 common shares of the Company. The Company also paid a finder's fee by the issuance of 91,837 common shares.

The White Hills Property is in the Abitibi area of Quebec Province in the NTS sheet 32D08. Road 109 crosses the White Hills Property in a North-South direction allowing easy access to the center of the claim package. The White Hills Property is made of one block of 77 claims totaling approximately 4,000 hectares or 40 km<sup>2</sup>.

Geological mapping in the central area of the White Hills Property performed in 1980 and 1989 revealed the presence of multiple granitic intrusions. 40 rock samples were taken over the White Hills Property during the survey. Geological mapping of outcrops was also done in 2011 and 11 outcrops were investigated. Among those outcrops were mapped a pegmatite that is anomalous in rubidium and another that is anomalous in both niobium and rubidium. No lithium analysis was performed on the samples.

The vicinity of the White Hills Property contains multiple lithium showings. Approximately 1km northeast of the White Hills Property are located the Bouvier showing and the International Lithium showing. 1km south of the White Hills Property is located the Duval-Lithium showing. Those showings correspond to spodumene mineralization inside pegmatite dykes, with a lithium content up to 1.35% Li. One km southwest of the White Hills Property is located the Authier showing, containing an historical resource of over 5.8 million tonnes grading 0.53% Li.

Canada Lithium, located 20km east of the White Hills Property, has a feasibility study showing proven and probable reserves of 17.1 million tonnes grading 0.94% Lithium Oxide at 0.60% cut off. Both the White Hills Property and the Quebec Lithium Mine are hosted in an alkaline granite and monzogranite batholith. Beryl and molybdenite showings are also located in the area.

The presence of beryl showings and lithium mineralization in the vicinity of the White Hills Property indicate a good potential for discovery of complex pegmatite and its associated lithium mineralization on the White Hills Property.

The lithium-rich pegmatites are usually located close-by to their parent granitic bodies. The White Hills Property contains multiple granitic bodies. Pegmatite veins were also discovered even though the historical exploration was very limited. Geochemical anomalies in rubidium and niobium were present in some pegmatite, indicating the possible presence of complex pegmatites. The pegmatite sampling didn't include lithium assaying.

The accessibility of large outcropping rocks along main and secondary roads and the lithium potential of the area warrant an extensive sampling survey that will aim at discovering lithium mineralization inside of the La Motte Batholith.

#### *Kino Lithium Property, Malartic Township, Quebec*

On May 17, 2016 the Company signed a purchase agreement to acquire mineral claims (the "Kino Property") located in the Province of Quebec. On June 9, 2016 the Company completed the purchase by paying \$10,000 cash and issuing 300,000 common shares. The Company also paid a finder's fee by issuance of 30,000 common shares.

The Kino Property is in the Abitibi area of Quebec Province in the NTS sheet 32D08. Secondary roads allow access to the Kino Property, via road 395. The Kino Property is made of one block of 40 claims totalling approximately 2,139 hectares or 21.39 km<sup>2</sup>.

Geological mapping in the central area of the Kino Property was performed in 1978 and 1980 and reveal the presence of multiple granitic intrusions. Four rock samples and 40 till samples were taken over the Kino Property during the survey. Mapping located a granite that is anomalous in lithium.

The vicinity of the Kino Property contains multiple showings. Less than 2km west of the Kino Property are located Ranger, Lavandin-1, Height of Land and the Dénomonné showings. Those showing correspond to molybdenum mineralization inside pegmatite dykes, within the granite intrusion, with a MoS<sub>2</sub> content up to 1.4%. The Lavandin-2 is a beryllium showing, with up to 0.22% Be located on the Kino Property.

Canada Lithium, located 35km east of the Kino Property, has a feasibility study showing proven and probable reserves of 17.1 million tonnes grading 0.94% Lithium Oxide at 0.60% cut off. Both the Kino Property and the Quebec Lithium Mine are hosted in a alkaline granite and monzogranite batholith. Beryl and molybdenite showings are also located in the area.

The presence of beryl showings and lithium mineralization in the vicinity of the Kino Property indicate a good potential of discovery of complex pegmatite and its associated lithium mineralization on the Property. The lithium-rich pegmatites are usually located close-by to their parent granitic bodies. The Kino Property contains multiple granitic bodies. Pegmatite veins were also found out even if the historical exploration was very limited. Geochemical anomalies and beryl mineralization were present in nearby pegmatites, indicating possibilities of presence of complex pegmatites.

The accessibility of large outcropping rocks along main and secondary roads and the lithium potential of the area warrant an extensive sampling survey that will aim at discovering lithium mineralization inside of the La Motte Batholith.

#### *Mathers Lithium Property, Malartic Township, Quebec*

On June 7, 2016 the Company signed a purchase agreement to acquire mineral claims (the "Mathers Property") located in the Province of Quebec. On June 27, 2016 the Company completed the purchase by paying \$30,000 cash and issuing 500,000 common shares. The Company also paid a finder's fee by issuance of 56,380 common shares.

The Mathers Property is in the Abitibi area of Quebec Province in the NTS sheets 31M10, 31M15 and 31M16. Secondary roads allow access to almost everywhere on the Mathers Property. It consists of one claim block, totalling 213 claims, over approximately 12,250 hectares or 122.5km<sup>2</sup>.

Exploration for beryllium, lithium, uranium and thorium was carried on in pegmatite dykes in the vicinity of the Mathers Property. Three beryl showings are present on the property. The Desrobert (1954), Rapide 7-Millage (1952) and Rapide Sept-Ouest (1954) showings have been discovered during the regional geological cartography. All of

them are pegmatite veins filled with quartz veinlets and small beryl crystals. Those pegmatites are probably of the complex type and could host lithium mineralization.

The vicinity of the Mathers Property contains multiple showings. At the Lac Simard showing a pegmatite dyke measuring 285m of length and 24.3m in width have been observed. Analysis done by Soquem in 1980 returned 1% LiO<sub>2</sub>. Up to 30% spodumene is found in this showing.

At the Giroux showing pegmatite veins 39.6m long and up to 4.6m in width, containing visible beryl crystals (up to 20cm long), spodumene, molybdenite, muscovite, silver and tourmaline have been reported in 1961. Drilling returned 0.43%BeO over 5.7m and 6.17g/t Ag over 1.5m.

Canada Lithium, located 50km north-east of the Mathers Property, has a feasibility study showing proven and probable reserves of 17.1 million tonnes grading 0.94% Lithium Oxide at 0.60% cut off. Both the Mathers Property and the Quebec Lithium Mine are hosted in an alkaline granite and monzogranite batholith. Beryl and molybdenite showings are also located in the area.

The presence of beryl showings and lithium mineralization in the vicinity of the Mathers Property indicate a good potential for discovery of complex pegmatite and its associated lithium mineralization on the Mathers Property. Pegmatite veins were also found out even if the historical exploration was limited. Geochemical anomalies in beryllium, lithium, rubidium, tantalum and niobium were present in some samples, indicating possibilities of presence of complex pegmatites.

#### *Tilia Lithium Property, La Motte Township, Quebec*

On June 20, 2016 the Company signed a purchase agreement to acquire mineral claims (the “Tilia Property”) located in the Province of Quebec. On July 15, 2016 the Company completed the purchase by paying \$20,000 cash and issuing 500,000 common shares. The Company also issued 56,000 common shares as a finder’s fee.

The Tilia Property located in the Abitibi area of Quebec Province in the NTS sheet 32C05, comprises one block of 38 claims, totalling approximately 2091.85 hectares or 20.9 km<sup>2</sup>. Secondary roads allow access to the boundaries and the center of the Tilia Property.

Geological mapping covering the eastern area of the Tilia Property was performed in 1983.

Multiple lithium showings are present in the vicinity of the Tilia Property. Canada Lithium, located 3km north of the Tilia Property, has a feasibility study showing proven and probable reserves of 17.1 million tonnes grading 0.94% Lithium Oxide at 0.60% cut off. Both the Tilia Property and the Quebec Lithium Mine are hosted in an alkaline granite and monzogranite batholith. Beryl and molybdene showings are also located in the area.

The Vallée Lithium showing is 3km north and is a series of dykes of unknown size and shape. Hole drilled in 1977 on the showing returned 1.38% Li. The Martin-McNeely and the Canadian Lithium are a swarm of pegmatites with spodumene, lepidolite and molybdenite located 9km north-west of the Tilia Property. Values of 1.0% Li over 2.44m have been reported, while another hole returned 0.59% Li over 2.9m. The Augustus showing is a lithium-bearing dyke swarm in the same area.

The Lacorne Lithium showing is 13km north-west and contains spodumene-and beryl-bearing pegmatites. Values of 0.83% Li<sub>2</sub>O over 4.0m and 0.90% Li<sub>2</sub>O over 2.7m in drill holes; 1.19% Li<sub>2</sub>O over 9.0m and 1.29% Li<sub>2</sub>O over 13.5 in chip-channel samples have been reported. The Lac La Motte showing is 14km west and corresponds to spodumene or beryl mineralization inside pegmatite dykes, with a lithium content up to 1.40% Li.

The presence of beryl showings and lithium mineralization in the vicinity of the Tilia Property indicate a good potential of discovery of complex pegmatite and its associated lithium mineralization on the Tilia Property. The lithium-rich pegmatites are usually located close-by to their parent granitic bodies.

#### *Virium Lithium Property, La Motte Township, Abitibi, Quebec*

On October 17, 2016 the Company signed an agreement (the “Virium Lithium Agreement”) to acquire the Virium Lithium Property in Quebec. On November 23, 2016 the Company made a \$10,000 cash payment and issued

1,400,000 common shares of the Company to the vendor. On December 22, 2016 the Company completed the purchase by making the final \$10,000 cash payment. The Company also issued 151,000 common shares as a finder's fee.

The Virium Lithium Property is made up of two claim blocks in close proximity which are located 23km southeast of the municipality of Amos. There are a total of 40 staked claims with a combined area of 1,360 hectares.

Very limited exploration work has been carried out on the Virium Lithium Property. The exploration that has been undertaken has focused on base and precious metals. Though there are several nearby lithium occurrences no analyses for lithium, niobium or tantalum have been made.

Geological mapping of the Virium Lithium Property was performed in 1955. Eight drill campaigns, drilling a total of 17 holes, have occurred between 1955 and 2003 targeting precious and base metals in volcano-sedimentary rocks on the Property.

The Virium Lithium Property is adjacent to the shuttered Quebec Lithium Mine which has recently been purchased by the Jilin Jien Nickel Industry Co. of China. The Quebec Lithium Mine has published measured and indicated resources (at a 0.60% Li<sub>2</sub>O cutoff) of 41,556,000 tonnes at 1.09% Li<sub>2</sub>O, and an inferred resource of (at a 0.60% Li<sub>2</sub>O cutoff) of 17,766,000 million tonnes at 1.10% Li<sub>2</sub>O (RB Energy Press Release of October 11, 2012).

There are numerous other lithium occurrences in the vicinity of the Virium Lithium Property. Less than 2km south is the Vallee Lithium showing. Within 7km to the west of the Virium Lithium Property are located the Canadian Lithium, Martin-McNeely, Augustus Exploration and Valor Lithium showings. These showings consist of spodumene or beryl mineralization inside pegmatite dykes with a lithium content of up to 1.38%.

Similar pegmatite dykes bearing spodumene or beryl mineralization are the main exploration target on the claims. The pegmatites can contain zoning and can be of substantial dimensions with lengths and widths ranging up to hundreds of metres. In addition to the lithium-bearing spodumene economic minerals can include beryl (Be), lepidolite (Li, Rb), colombo-tantalite (Nb, Ta) and cassiterite (Sn).

## ***Peru***

### *Lejin Property located in Peru*

On May 24, 2016, the Company signed an agreement (the "Lejin Agreement") to acquire all of the issued and outstanding common shares of Epic Mining Corp. ("Epic"). Under the terms of the Lejin Agreement the Company has agreed to make cash payments totalling \$50,000 and issue 500,000 common shares of the Company. On October 5, 2016 the Company received TSXV approval and on November 30, 2016 the Company made an initial \$25,000 cash payment, issued 500,000 common shares of the Company and also issued 54,905 common shares as a finder's fee. On December 31, 2016 the Company completed the purchase by making the final \$25,000 cash payment.

Epic owns 99% of Panamericana SAC which holds 100% of the rights, title and interest in the Lejin property (the "Lejin Property") located in Peru.

Through the acquisition, the Company will hold 100% of the rights, title and interest in the 900 hectare Lejin Property. A 700 hectare portion of the Lejin Property is surrounded on three sides by HudBay Minerals Inc.'s holdings adjacent to their Constancia Mine in the Province of Chumbivilcas in southern Peru. HudBay invested \$1.7 billion in the construction of the Constancia Mine and achieved commercial production in April 2015. The Constancia Mine is an open pit operation with a 22-year life primarily extracting copper with additional molybdenum and silver credits. Limited sampling conducted on the Lejin Property has detected alteration suggesting the potential for copper mineralization. The Company will consider an exploration program to test the Lejin Property.

## **Qualified Person**

The Qualified Person for the Company's projects, Dr. Stewart A Jackson, PGeo., a Technical Advisor to the Company, has reviewed and approved the technical information in this MD&A.

## Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2017			Fiscal 2016			Fiscal 2015	
	Dec. 31 2016 \$	Sept. 30 2016 \$	Jun. 30 2016 \$	Mar. 31 2016 \$	Dec. 31 2015 \$	Sept. 30 2015 \$	Jun. 30 2015 \$	Mar. 31 2015 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(261,851)	(458,342)	(340,286)	(41,444)	(536,731)	(115,616)	(101,287)	4,349
Other items	3,179	(740)	(153)	11,126	(14,170)	164	Nil	489
Net (loss) income and comprehensive (loss) income	(258,672)	(459,082)	(340,439)	(30,318)	(550,901)	(115,452)	(101,287)	4,838
(Loss) income per share - basic and diluted	(0.01)	(0.02)	(0.02)	(0.00)	(0.03)	(0.03)	(0.03)	0.00
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital (deficiency)	(218,388)	(212,303)	(419,257)	(117,340)	(83,896)	328,010	(221,785)	(120,742)
Total assets	2,072,295	1,578,782	1,238,347	46,070	298,221	431,110	10,788	7,072
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

There are no general trends regarding the Company's annual and quarterly results. Quarterly results may vary depending on granting of stock options and the timing of the recognition of the associated share based payment expense. Quarterly income (loss) can also be affected by impairments taken with respect to exploration and evaluation assets.

## Results of Operations

### *Three Months Ended December 31, 2016 Compared to Three Months Ended September 30, 2016*

During the three months ended December 31, 2016 ("Q3") the Company reported a net loss of \$258,672 compared to a net loss of \$459,082 for the three months ended September 30, 2016 ("Q2"), a decrease in loss of \$200,410. The decrease in loss was mainly attributed to a \$283,542 decrease in share-based compensation in Q3 partially offset by a general increase in expenses. Specific expenses of note are as follows:

- (i) during Q3 the Company incurred \$56,584 (Q2 - \$39,000) for director and officer compensation for services provided by former and current officers of the Company. See "Transactions with Related Parties Disclosure";
- (ii) during Q3 the Company was billed \$48,528 (Q2 - \$13,778) by various parties for consulting services;
- (iii) during Q3 the Company incurred \$38,940 (Q2 - \$32,935) for legal costs relating to preparing and reviewing numerous mineral proper purchase agreements; and
- (iv) during Q3 the Company incurred \$30,769 (Q2 - \$21,055) for travel costs for trips to Europe and South America to review and negotiate prospective properties, identify business and financing opportunities.

### *Nine Months Ended December 31, 2016 Compared to Nine Months Ended December 31, 2015*

During the nine months ended December 31, 2016 (the "2016 period") the Company reported a net loss of \$1,058,193 (\$0.05 per share) compared to a net loss of \$767,640 (\$0.10 per share) for the nine months ended December 31, 2015 (the "2015 period"), an increase in loss of \$290,553. Specific expenses of note are as follows:

- (i) during the 2016 period the Company incurred \$146,584 (2015 - \$250,000) for director and officer compensation for services provided by the former and current officers of the Company. See "Transactions with Related Parties Disclosure";
- (ii) during the 2016 period the Company incurred a total of \$42,803 (2015 \$781) for rent, personnel, utilities and vehicle rentals expenses, of which \$17,811 was incurred for shared costs relating to an office and personnel

- in Albania with Arian Resources Corp. (“Arian”) a public company with common current and former directors and officers;
- (iii) during the 2016 period the Company granted share options to purchase 2,200,000 (2015 - 1,600,000) common shares and recorded compensation expense of \$403,803 (2015 - \$138,748);
  - (iv) during the 2016 period the Company incurred a total of \$49,000 with Chase Management Ltd. (“Chase”), a private company owned by Nick DeMare, the Corporate Secretary of the Company, reflecting significant accounting and administrative services provided by Chase personnel, excluding the Corporate Secretary. These activities were limited during the 2015 period, when the Company was charged \$9,190 by another accounting firm for ongoing bookkeeping. As at December 31, 2016 \$5,910 remained unpaid and has been included in accounts payable and accrued liabilities;
  - (v) during the 2016 period the Company incurred \$58,577 (2015 - \$3,389) in corporate development for participating in several campaigns. During the 2015 period the Company recorded a credit of \$15,300 for a reversal for amounts which had been previously recognized;
  - (vi) during the 2016 period the Company incurred \$12,840 (2015 - \$2,412) for audit fees for the Company’s year-end financial statements. The fluctuation was due to the timing of the audit;
  - (vii) during the 2016 period the Company incurred \$134,227 (2015 - \$6,275) legal costs relating to preparing and reviewing numerous mineral property purchase agreements;
  - (viii) during the 2016 period \$83,007 (2015 - \$280,805) was billed by various parties for consulting services;
  - (ix) a \$14,270 increase in regulatory and transfer agent fees, from \$18,899 in the 2015 period to \$33,169 in the 2016 period reflecting the additional regulatory fees and transfer agent fees incurred during the 2016 period relating to the corporate name change and numerous filings and share issuances for the mineral property interest acquisitions and private placement;
  - (x) on June 2, 2016 the Company entered into an investor relations agreement with Value Relations GmbH (“Value Relations”) for a term of twelve months. During the 2016 period the Company paid \$5,400 to Value Relations; and
  - (xi) during the 2016 period the Company incurred \$64,404 (2015 - \$55,807) for travel costs for trips by the Company management and personnel to Europe and South America to review and negotiate prospective properties, identify business and financing opportunities.

### ***Financing***

During the 2016 period the Company:

- (i) completed a non-brokered private placement of 1,360,000 units, at a price of \$0.20 per unit for gross proceeds of \$272,000; and
- (ii) agreed to conduct a non-brokered private placement financing of 4,500,000 units at \$0.20 per unit, for gross proceeds of \$900,000. On December 14, 2016 the Company completed a first-tranche closing and issued 2,500,000 units for cash proceeds of \$500,000. On January 16, 2017 the Company completed the final tranche of the non-brokered private placement and issued 2,000,000 units for cash proceeds of \$400,000.

In addition to the private placements, the Company also issued a total of 3,960,000 common shares of the Company on the exercise of warrants and share options for total proceeds of \$277,200.

During the 2015 period the Company completed a non-brokered private placement and issued 13,300,000 units for gross proceeds of \$665,000.

### **Financial Condition / Capital Resources**

As at December 31, 2016 the Company had a working capital deficiency of \$218,388 and an accumulated deficit of \$12,498,873. To date the Company has not earned any revenues and is considered to be in the exploration stage. The Company’s operations have been primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

Subsequent to December 31, 2016 the Company issued issued 200,000 common shares on the exercise of warrants for proceeds of \$14,000 and 100,000 common shares on the exercise of options for proceeds of \$20,000.

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Proposed Transactions

The Company has no proposed transactions.

## Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the March 31, 2016 annual consolidated financial statements.

## Changes in Accounting Policies

There are no changes in accounting policies.

## Transactions with Related Parties

Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### (a) *Transactions with Key Management Personnel*

- (i) Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers

During the 2016 and 2015 periods the following compensations were incurred:

	2016	2015
	\$	\$
Mr. Robert Naso, former CEO, current CFO & director	53,584	-
Mr. Robert Naso - living allowance	3,500	-
Mr. Zahir Dhanani, former CEO & director	5,000	250,000
Mr. John Huguet, former Chairman & director	54,000	-
Mr. Nick DeMare, Corporate Secretary	34,000	-
	<u>150,084</u>	<u>250,000</u>

As at December 31, 2016, \$152,980 (March 31, 2016 - \$87,980) remained unpaid.

- (ii) During the 2016 period Mr. Dhanani advanced funds totalling \$324,000 which the Company subsequently repaid \$310,000. As at December 31, 2016 \$14,000 remained unpaid.
- (iii) The Company has agreed to pay a finder's fee of 5% of the payments made under the Cerpulje Agreement to Dr. Aylin Cecen Aksu, who, subsequent to the signing of the Cerpulje Agreement, was appointed as a director of the Company. During the 2016 period the Company paid \$15,624 (US \$12,000) to Dr. Aksu for finder's fees. Subsequent to December 31, 2016 the Company made the final option payment on the Cerpulje Agreement and paid finder's fees of \$3,933 (US \$3,000) to Dr. Aksu.

- (iv) During the 2016 period the Company incurred a total of \$49,000 (2015 - \$nil) to Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel. As at December 31, 2016, \$5,910 (December 31, 2015 - \$nil) remained unpaid.
- (b) During the 2016 period the Company incurred \$17,811 (2015 - \$nil) for shared personnel and office administration costs with Arian. The amounts were reimbursed to Arian by Mr. Naso. As at December 31, 2016 \$7,386 (March 31, 2016 - \$19,575) remained outstanding to Mr. Naso.

**Outstanding Share Data**

The Company's authorized share capital is unlimited common shares with no par value. As at February 24, 2017, there were 32,081,501 issued common shares, 18,276,000 warrants outstanding exercisable at prices ranging from \$0.07 to \$1.50 per share and 3,050,000 share options outstanding, at exercise prices ranging from \$0.20 to \$0.40 per share.