Cartier Iron Corporation
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Cartier Iron Corporation (the "Company") for the 3 months ended March 31, 2018 and should be read in conjunction with the unaudited condensed interim financial statements and the accompanying notes which have been prepared in accordance with International Financial Reporting Standards.

The MD&A is the responsibility of management and is dated as of May 30, 2018.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.cartieriron.com.

Forward-Looking Statements

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

See page 11 for Material assumptions and risk factors for forward-looking statements.

The Company

The Company is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is a reporting issuer in Ontario and Alberta and its common shares are listed for trading on the Canadian Securities Exchange under the trading symbol "CFE".

Overall Performance

Investment in Eloro

As at March 31, 2018, the Company held 2,543,500 Eloro common shares (December 31, 201 - 2,543,500 common shares) representing 7.46% (December 31, 2017 - 7.72%) of the outstanding Eloro common shares. As at May 30, 2018, the Company's investment in Eloro had a fair value of $1,729,580.

Grant of stock options

On April 10, 2018, the Company granted 200,000 stock options to a consultant, entitling the holder to purchase one common share for $0.15 until April 10, 2023.

Proposed settlement of accounts payable to related parties

The Company proposes to settle unpaid management fees of $848,849 owed to current and former officers ("Debt") or companies controlled by them ("Related Parties") as at March 31, 2018 through a combination of debt forgiveness and the issue of common shares. It is proposed that the Related Parties would forgive $511,349 and subject to the receipt of all necessary shareholder and regulatory approvals, the Corporation would issue 2,700,000 Common Shares at a deemed price of $0.125 per Common Share in settlement of the remaining debt of $337,500.

Gagnon

The Company owns a 55% interest in Round Lake (formerly known as Penguin Lake, Black Dan and Aubrey-Ernie) and Jeannine, consisting of 199 claims covering 105.37 square kilometres in the Fermont Iron Ore District in the Labrador Trough in northeastern Québec ("Gagnon").

Table 1: Summary of Gagnon Holdings

Property	Number of claims	Area (km²)
Round Lake *(formerly known as Penguin Lake, Black Dan and Aubrey-Ernie)*	178	94.20
Jeannine Lake	21	11.17
Totals	199	105.37

A joint venture was formed between the Company and Champion to incur additional exploration expenditures. If a joint venture partner does not fund its proportionate interest in the joint venture, its interest will be diluted and, when its interest is reduced below 10%, its interest would be reduced solely to a 1% royalty. The other joint venture partner will have the option to reduce the royalty from 1% to 0.5% by making a payment of $3,000,000.

In the event that a joint venture partner proposes to acquire any property within 10 kilometres of Gagnon, the acquirer must offer the property at cost to the other party for inclusion in Gagnon.

As at March 31, 2018, facts and circumstances suggested that the carrying amount of Gagnon may exceed its recoverable amount. As required by International Financial Reporting Standard 6, *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"), the Company assessed Gagnon for impairment. The Company concluded that there were a number of indicators of impairment, and accordingly, recorded an impairment of exploration and evaluation of $5,395.

The Company has incurred the following cumulative exploration and evaluation expenditures on Gagnon:

	$
Balance, December 31, 2017	3,861,605
Expenditures	5,395
Balance, March 31, 2018	3,867,000

As at March 31, 2018, Champion held 11,519,971 common shares of the Company (December 31, 2017 - 11,519,971), representing 24.4% of the outstanding common shares of the Company (December 31, 2017 - 24.4%). Pursuant to a standstill agreement, Champion may not sell or transfer more than 2,000,000 common shares during any 30-day period. One director of the Company is a director of Champion Iron Limited, the parent company of Champion.

Gagnon Holdings - Exploration

The Gagnon Holdings are adjacent and in close proximity to Arcelormittal's Mont Reed property which encompasses the Mont Reed Mine deposit.

On December 19, 2013, the Company reported the completion of a National Instrument 43-101 compliant Mineral Resource Estimate ("MRE") for the Penguin Lake Project, authored by Abder Ladidi, P. Geo., an independent Qualified Person of MRB & Associates ("MRB") of Val d'Or, Quebec. Based on 10 drill holes totaling 3,315 m, the MRE reported 531 million tones ("Mt") grading 33.1% Total Iron ("FeT") of In-pit Inferred Resources at a 15% FeT cut-ff grade. The global in-situ mineral resource of 534.8 Mt grading 33.1% FeT was subject to a Whittle pit optimization to estimate the portion of in-situ Mineral Resource within the pit shell. P&E Mining Consultants of Brampton, ON were contracted by MRB to run the pit shell using a 1.05:1.00 $CDN:$US exchange rate, a mining cost of $2.50/Tonne, and a charge of $18.10/Tonne for the total processing, G&A, and freight costs. The process recovery, estimated to be 82%, an iron ore price of $1.77/dmtu, and a 48º overall pit-slope, were used to complete the Whittle pit optimization. The sensitivity of the resource estimates is demonstrated by comparing the proportion of the mineral resources that may be economically exploited within the optimized pit shell to the global in-situ resource. A summary of the Global In-Situ Mineral Resource Estimate is presented in Table 2 and the results of the In-Pit Mineral Resource are presented in Table 3.

Table 2: Global In-situ Mineral Resource Estimate, Penguin Lake Project

	Global Inferred Resources*				Below Cut-off			
Cut-off Grade	Tonnes (millions)	Grade			Tonnes (millions)	Grade		
		FeT%	CaO%	MgO%		FeT%	CaO%	MgO%
15%	534.8	33.1	3.1	2.8	0.0	0.0	0.0	0.0
20%	534.7	33.1	3.1	2.8	0.1	15.4	2.1	1.7
25%	531.4	33.2	3.0	2.8	3.4	23.2	4.7	3.0
30%	466.4	33.9	2.9	2.8	68.4	28.2	4.1	2.7

Table 3: In-Pit Mineral Resource Estimate, Penguin Lake Project

	In-Pit Inferred Resources*				Below Cut-off			
Cut-off Grade	Tonnes (millions)	Grade			Tonnes (millions)	Grade		
		FeT%	CaO%	MgO%		FeT%	CaO%	MgO%
15%	**531.2**	**33.1**	**3.1**	**2.8**	**0.0**	**0.0**	**0.0**	**0.0**
20%	531.1	33.1	3.1	2.8	0.0	15.4	2.1	1.7
25%	527.8	33.2	3.0	2.8	3.4	23.2	4.7	3.0
30%	463.9	33.9	2.9	2.8	67.3	28.2	4.1	2.7

** The quantity and grade of the reported Mineral Resources within the Project are categorized as Inferred Mineral Resources. Inferred Mineral Resources are that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from drill core. There is no guarantee that further exploration will upgrade the Inferred Mineral Resources to Indicated or Measured Mineral Resources. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*

The 10 drill holes that define the MRE drilled only the southern portion of the deposit. The deposit occurs in the form of a multiply refolded tightly overturned synform that produces a bowl-like shape of shallow dipping iron formation host rock. No recent drilling has been completed in the northern portion of the deposit however, the strong correlation of magnetic response to where iron formation surfaces and a historic drill hole located in the NW portion of the deposit allow for projection of the modelled iron formation and an estimate of the exploration target potential[1]. The interpreted 3D model of iron formation includes an additional 700 to 900 million tonnes of similar grade as suggested by the current Inferred Resource, predominantly in the undrilled portion of the deposit to the north and northwest where additional resources might be identified.

A comparison of the current global in-situ mineral resource and in-pit mineral resource demonstrates the amenable geometry of the deposit to open-pit mining with 99+% of the in-situ resource occurring within the optimized pit shell. Furthermore, it is apparent that a natural geological cut-off grade exists for the modelled high grade iron oxide deposit that is above the economic cut-off grade. As can be seen by the quantity and grade of below cut-off grade material at the higher cut-off grades, the natural cut-off grade of the deposit is near 25% FeT where only 0.6% of the material is below cut-off at an average grade of 23.2% and well above the economic cut-off grade of 15% FeT.

The current resource reported in the MRE comprises less than half of the modelled bow-shaped deposit and makes the Penguin Lake deposit the largest iron resource in the southern Gagnon Terrane.

Through 2016 and 2017, the Company completed metallurgical testwork studies and investigated base-case process flowsheet aspects for the Penguin Lake deposit. Metallurgical test results announced by the Company on April 28, 2015, indicate that the iron at the Penguin Lake deposit will be most efficiently liberated by a 2-stage process designed to yield iron-fines to produce a final sinter product.

The metallurgical tests were targeted towards producing a concentrate of 65% iron (Fe) and 4.5% silica (SiO_2) from an average sample-grade of 30% Fe. Stage-1 gravimetric separation tests by Wilfley Table on 18 samples returned average grades of 65.3% Fe, 4.5% SiO_2 and 1.1% MgO. Iron concentrate of similar grade (65% Fe / <4.5% SiO_2) will be sought from the second-stage regrinding and magnetic separation process. Additional tests to determine the process model for optimal second-stage iron recovery are on-going. Overall iron recoveries of >80% are targeted for the 2-stage circuit. The maximum 4.5% SiO_2 content for the Penguin Lake concentrate is a value imposed by the Company, guided by today's selective-market requirement for the highest-quality iron concentrate.

The Company is currently evaluating further exploration programs at the Gagnon Holdings while managing its capital resources to ensure it has sufficient capital to support its ongoing operations. Further exploration and development of the Company's properties are contingent upon the Company raising an adequate amount of financing.

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[1] *Exploration Target Potential is not a Mineral Resource. There is insufficient work completed to estimate the quantity and grade or quality of the exploration target on the basis of geological evidence and sampling. There is no guarantee that further exploration will define additional mineral resources from any portion of the exploration target potential.*

Big Easy
The Company owns a 100% interest in Big Easy consisting of 467 mining claims (December 31, 2017 - 278) covering 116.8 square kilometres (December 31, 2017 - 69.5) located in Newfoundland and Labrador.

Pursuant to the definitive agreement, in order to complete the acquisition of Big Easy, the Company must issue common shares and incur exploration expenditures, as follows:

	Common shares	Exploration expenditures $
Upon signing of definitive agreement (issued)	500,000	–
November 21, 2018	500,000	500,000
November 21, 2019	500,000	800,000
November 21, 2020	1,000,000	1,200,000
	2,500,000	2,500,000

The Company agreed to issue 100,000 common shares as a finder's fee, of which, 50,000 common shares with a fair value of $4,500 have been issued and 50,000 common shares will be issued upon completion of the acquisition.

In the event that the Company does not issue common shares or incur exploration expenditures, the definitive agreement will terminate and the Company will transfer the mining licences and claims to the vendor.

The property is subject to a 3% net smelter royalty ("NSR"). On November 21, 2017, the Company exercised an option to reduce the NSR from 3% to 2% by making a payment of $200,000, as follows:

Due date	$
November 21, 2017 (paid)	25,000
December 31, 2017 (paid)	25,000
November 21, 2018	75,000
November 21, 2019	75,000

The Company also has options to reduce the NSR by:

(a) 0.25% until November 21, 2021 by making a payment of $250,000; and
(b) a further 0.25% until November 21, 2022 by making a payment of $250,000.

In the event that the Company wishes to sell any or all of the property prior to November 21, 2020, the Company must obtain the permission of the vendor.

With respect to the common shares to be issued to the vendor:

a) the vendor will not grant a security interest in the common shares;
b) the vendor has the right to sell tranches of less than 300,000 common shares;
c) until November 21, 2021, the Company has a right of first refusal in the event that the vendor receives a third party offer to acquire any tranche of more than 300,000 common shares; and
d) until November 21, 2021, the vendor shall not vote or encourage anyone else to vote against any resolution put before the shareholders of the Company upon the recommendation of the Board of Directors
e) until November 21, 2021, the vendor shall not vote or encourage anyone else to vote in favour of:
   (i) the election of board nominees that have not been proposed by the then Board of Directors, or
   (ii) any shareholder resolution or proposal unless the Board of Directors recommends voting in favour of such shareholder resolution or proposal.

Big Easy-Exploration
On May 1, 2018 the Company announced the successful completion of a 48-line kilometre Induced Polarization/Resistivity (IP/Res) survey at the Big Easy by MES Geophysics of St. John's, Newfoundland under the direction of Dr. Chris Hale, P.Geo., Chief Geophysicist for the Company.

Big Easy is a remarkably preserved and extensive low sulphidation epithermal gold-silver system that occurs on a prominent boundary between volcanic and sedimentary rocks in the Neoproterozoic Avalon Zone.

The new IP/Res data highlight an extensive mineralized epithermal system that includes both the Big Easy and ET mineralized zones where historical drilling intersected gold-bearing epithermal quartz veins including 6.05 g Au/t and 174 g Ag/t over 1.5m (Hole BE-11-13) and 7.65 g Au/t over 1.0m (Hole BE-11-07), (Newfoundland and Labrador, Department of Natural Resources, Mines Branch Assessment File Reports on the property). This chargeability anomaly can be traced over a strike length of more than four kilometres between the Big Easy and ET showings. This anomaly is open to the north and south. The Company previously staked an additional 98 claims to cover the potential northern extension bringing the total property to 467 claims covering 116.8 km^2. These claims cover a potential strike length of 23.5km.

The Company's exploration strategy is to complete targeted exploration by stepping out and defining the epithermal system to better understand the structural controls on the distribution of mineralization especially focusing on potential bonanza grade zones. The first step, the IP/Res survey, has confirmed that there is an extensive mineralized zone on the Big Easy property. Higher chargeability anomalies occur over both the Big Easy and ET showings. Midway and to the southwest there are two additional prominent anomalies that may reflect mineralization at depth. The Company is also analyzing all the results in detail to plan the follow-up diamond drill program in the future to test all these targets.

Risks and Uncertainties

Going concern

The Company is in the exploration stage and has no revenue. As at March 31, 2018, the Company had a working capital deficit of $895,339 and for the 3 months ended March 31, 2018, the Company incurred losses of $139,301 and cashflow deficit from operations of $182,405. The working capital deficit, losses and cashflow deficit limit the Company's ability to fund operations and the acquisition, exploration and development of mineral resource properties. As a result, there is significant doubt about the Company's ability to continue as a going concern.

The continued operation of the Company is dependent upon the support of its creditors and the Company's ability to secure advances from related parties and equity financings to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary advances and equity financing, however, there can be no assurance that additional financing will be available.

Exploration

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licences.

Results of Operations

	3 months ended March 31, 2018 $	2017 $
Expenses		
Professional fees	7,000	5,096
Consulting fees	77,000	90,000
General and administrative	47,994	23,942
Investor relations	16,905	13,293
Interest	-	1,736
Increase in fair value of marketable securities	5,395	10,500
Impairment of exploration and evaluation	5,144	(2,750)
Refundable tax credit and mining tax credit	-	(103,752)
Part XII.6 tax	345	-
Other recoveries	139	(2,711)
	159,921	35,355
Loss before share of net loss of an associate	(159,921)	(35,355)
Dilution gain on change in interest in associate	19,759	6,008
Share of loss of an associate	(17,504)	(10,084)
Loss before income taxes	(157,666)	(39,431)
Deferred income taxes	18,365	-
Loss and comprehensive loss	(139,301)	(39,431)

3 months ended March 31

The loss of $139,301 in the current period compared to a loss of $39,341 in the comparative period of the previous year was primarily the result of the following factors:

a) an increase in general and administrative reflecting an increase in the level of activity.
b) the Company received no refundable tax credit and mining tax credit in the current period compared to $103,752 in the previous year.

Summary of Quarterly Results

	Q2 2016 $ (note 1)	Q3 2016 $	Q4 2016 $ (note 2)	Q1 2017 $ (note 3)	Q2 2017 $	Q3 2017 $	Q4 2017 $ (note 4)	Q1 2018 $
Revenue	–	–	–	–	–	–	–	–
Income (loss)								
- Total	171,332	(170,309)	1,051,525	(39,431)	(185,919)	(158,423)	(431,031)	(139,901)
- Per share	0.005	(0.005)	0.031	(0.001)	(0.005)	(0.004)	(0.011)	(0.003)

Notes

1. Income for Q2 2016 reflects income for a gain on statute-barred accounts payable of $48,044, a refundable tax credit of $251,079, a gain on dilution of interest in associate of $84,458 and share of income of an associate of $10,493.
2. Income for Q4 2016 reflects gains on the disposition of marketable securities of $810,952 (including a gain of $820,509 recorded on the disposition of $2,000,000 common shares of Eloro to repay the Term Loan) and a gain on the settlement of amount due to Champion of $80,000.
3. Loss for Q1 2017 reflects the receipt of refundable tax credit and mining tax credit of $103,752.
4. Loss for Q4 2017 reflects an impairment of exploration and evaluation of $571,802.

Liquidity and Capital Resources

Capital resources

At March 31, 2018, the Company had a cash balance of $144,791 and an investment in Eloro with a fair value of $2,212,845.

As the Company is in the exploration stage and has no revenue, the Company has financed its operations with advances from related parties and equity financings. The Company is dependent upon the support of its creditors and the Company's ability to secure advances from related parties and equity financings to meet its existing obligations and to fund its working capital requirements and the acquisition, exploration and development of mineral properties.

Estimated working capital requirements for 2019	**$**
Corporate and general costs	200,000
Claim renewals and work commitments	15,000
Big Easy option payment to reduce NSR due on November 21, 2017	75,000
Big Easy acquisition exploration expenditures	500,000
	790,000

Excluding consulting fees to management, the payment of which is being deferred, corporate and general costs for the years ended December 31, 2017 and 2016 were approximately $185,000 and $275,000, respectively. For the year ended December 31, 2018, the Company estimates its corporate and general costs at approximately $200,000.

At March 31, 2018, accounts payable and accrued liabilities were $1,015,495, of which, $855,629 represents consulting fees and exploration expenditures owed to related party management and consultants, the payment of which is being deferred. See *Proposed settlement of accounts payable to related parties* on page 1.

Management is of the opinion that sufficient working capital will be obtained from advances from related parties and equity financings to meet the Company's liabilities and commitments as they become due. In the event that the Company is not able to obtain sufficient working capital from related parties and equity financings, the Company could consider selling Eloro common shares.

Transactions with Related Parties

	3 months ended March 31, 2018 $	Outstanding as at March 31, 2018 $
Exploration and evaluation		
MRB & Associates, a company, in which, John Langton, a director, has an ownership interest	560	38,171
Consulting fees		
Gambier Holdings Corp., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	30,000	93,249
Alexander Horvath, a director	3,000	6,780
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	22,500	291,900
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	22,500	298,700

Champion holding in common shares of the Company
Champion holds 11,519,971 common shares of the Company, representing approximately 24.4% of the outstanding common shares of the Company.

A director of the Company is a director of Champion Iron Limited, the parent company of Champion.

New standards and interpretations not yet adopted
On January 1, 2018, the Company adopted the following amendment to standards:

IFRS 9, Financial Instruments ("IFRS 9")
This standard will replace *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules In IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are measured at amortized cost unless the fair value option is applied.

The adoption of this accounting standard had no impact on these financial statements.

The following new standard will be effective for periods beginning on or after January 1, 2019:

IFRS 16, Leases ("IFRS 16")
This standard will replace *IAS 17, Leases*. IFRS 16 provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17. The Company has not determined the extent of the impact of IFRS 16 on its financial statements

Financial Instruments and Other Instruments
A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts payable and accrued liabilities and due to Champion
The fair values of cash, accounts payable and accrued liabilities and due to Eloro approximated their respective carrying value due to their short term to maturity.

Marketable securities
The fair value of marketable securities is estimated based on observable inputs.

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1: quoted prices in active markets for identical assets and liabilities;
- Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data

Cash and marketable securities are classified as Level 1 financial assets.

Financial risk management
The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash and due from Eloro. The Company's limits its exposure to credit risk on its cash by holding deposits with high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties. Accounts payable and accrued liabilities are subject to normal trade terms and the amount due to Eloro is due on demand.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk
Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at March 31, 2018 had changed by 25%, with all other variables held constant, the income would have increased or decreased by $6,463.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash in Canadian dollars.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management
Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issue of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Material assumptions and risk factors for forward-looking statements
The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Page	Forward-looking statement	Assumption	Risk factor
6	Liquidity and Capital Resources “Management is of the opinion that sufficient working capital will be obtained from advances from related parties and equity financings to meet the Company's liabilities and commitments as they become due.”	Advances from related parties and equity financings will be obtained.	The Company is unable to obtain future financing to meet its liabilities and commitments as they become due.

Other Information

Additional disclosure for venture companies without significant revenue
The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the periods indicated.
General and administrative expenses

	3 months ended March 31, 2018 $	2017 $
Office	42,867	20,415
Public company costs	5,127	3,527
	47,994	23,942

Exploration and evaluation

	December 31, 2017 $	Acquisition costs $	Exploration expenditures $	Writedowns $	March 31, 2018 $
Property					
Gagnon	—	—	5,395	(5,395)	—
Big Easy	177,518	7,358	140,994	—	325,870
	177,518	7,358	146,389	—	325,870

Shares outstanding as at May 30, 2018
Authorized:
Unlimited number of common shares.

Outstanding:
47,222,721 common shares.

Stock options
Authorized:
4,722,272 stock options, representing 10% of the issued and outstanding common shares.
Outstanding:

Exercise price	Expiry date	Number of stock options issued and exercisable
$0.10	July 9, 2020	3,025,000
$0.10	April 10, 2023	200,000
		3,225,000

Warrants
Outstanding:

Exercise price	Expiry date	Number of warrants
$0.20	June 6, 2019	4,178,500
$0.25	June 6, 2019	1,601,967
		5,780,467