PITCHBLACK RESOURCES LTD.
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

You are invited to our 2017 annual general and special meeting of shareholders (the "**Meeting**") of Pitchblack Resources Ltd. (the "**Corporation**")

When: Wednesday, October 18, 2017 at 11:00 a.m. (Toronto time)
Where: 65 Queen Street West, 8th floor boardroom, Toronto, Ontario M5H 2M5

The purpose of the Meeting is as follows:

1. **Financial Statements**. Receive and consider: the audited consolidated financial statements as at and for the fiscal year ended December 31, 2016, together with the report of the auditor thereon;

2. **Elect Directors**. To set the size of the board of directors at four and consider and elect the directors for the ensuing year;

3. **Auditor Appointment**. Appoint UHY McGovern Hurley LLP, Chartered Accountants as auditor of the Corporation;

4. **Amended and Restated Stock Option Plan**. Consider and approve the Corporation's amended and restated stock option plan;

5. **Approval of RSU Plan**. Consider and approve the implementation of a restricted unit plan in the event that the common shares in the capital of the Corporation (the "**Common Shares**") become listed on the Toronto Stock Exchange;

6. **Approval of Share Consolidation**. Consider and approve the consolidation of the Common Shares on a four for one basis;

7. **Approval of Name Change**. Consider and approve the change of the Corporation's name to "Troilus Gold Inc.; and

8. **Other Business**. Consider other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

This notice is accompanied by: (i) a form of proxy, (ii) a management information circular (the "**Circular**"), and (iii) the audited consolidated financial statements of the Corporation as at and for the fiscal year ended December 31, 2016 and related management's discussion and analysis of financial condition.

You may vote your shares by proxy if you are unable to attend the meeting. Please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation's transfer agent by 11:00 a.m. (Toronto time) on Monday, October 16, 2017.

The directors of the Corporation have fixed the close of business on August 29, 2017 as the record date, and the registered holders entitled to notice and to vote at the Meeting and any postponement(s) or adjournments(s) thereof shall be determined as of such date.

DATED at Toronto, Ontario as of the 20th day of September, 2017

BY ORDER OF THE BOARD OF DIRECTORS

(signed*)"G. Scott Moore"*

G. Scott Moore
President and Chief Executive Officer

PITCHBLACK RESOURCES LTD.
2017 MANAGEMENT INFORMATION CIRCULAR

PART I – INFORMATION ABOUT THE MEETING

Solicitation of Proxies

You have received this information circular (the "**Circular**") because you owned common shares in the capital (the "**Common Shares**") of Pitchblack Resources Ltd. ("**Pitchblack**" or the "**Corporation**") as of August 29, 2017. You are therefore entitled to vote at the 2017 annual general and special meeting of shareholders (the "**Meeting**") to be held on October 18, 2017 at 11:00 am at 65 Queen Street West, 8th floor boardroom, Toronto, Ontario M5H 2M5, and any postponements or adjournments thereof.

The board of directors of Pitchblack (the "**Board of Directors**") has set the record date for the Meeting at August 29, 2017 (the "**Record Date**").

Management is soliciting your proxy for the Meeting. The Board of Directors has fixed 11:00 am (Toronto time) on October 16, 2017, or 48 hours (excluding Saturdays, Sundays or holidays) before any adjournment(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation's transfer agent. The costs of solicitation by management of Pitchblack shall be borne by the Corporation.

These materials are being sent to both registered and non-registered owners of the securities (in each case, a "**Shareholder**"). The Corporation or its agent has obtained information regarding non-registered owners in accordance with the applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation shall make a list of all persons who are registered Shareholders on the Record Date and the number of Common Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his name as it appears on the list.

Unless otherwise stated, the information contained in this Circular is as of the date hereof. All dollar amount references in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

Voting

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **You may appoint some other person or entity to represent you at the Meeting** by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of Pitchblack indicated on the enclosed envelope not later than the times set out above.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5 at any time up to and including the last business day preceding the day of the Meeting.

Voting of Proxies

Registered Shareholders

You can vote in person or vote by proxy. Voting by proxy is the easiest way to vote because you can appoint anyone to be your proxyholder to attend the meeting and vote your shares according to your instructions. This person does not need to be a shareholder. The executive officers named in the proxy can act as your proxyholder and vote your shares according to your instructions.

If you appoint the Pitchblack proxyholders and do not indicate your voting instructions, they will vote your shares:

- for setting the number of directors
- for the nominated directors, as well as the proposed slate of directors should the Transaction (as defined below) be completed
- for the appointment of the auditors
- for the approval of the stock option plan
- for the approval of the RSU Plan (as defined below) in the event that the Corporation become listed on the Toronto Stock Exchange (the "**TSX**")
- the Share Consolidation (as defined below)
- the Name Change (as defined below)

If you want to appoint someone else as your proxyholder print that person's name in the blank space provided in the proxy form (or complete another proxy form) and send the form to the Corporation's transfer agent. Make sure this person is aware that you appointed them as your proxyholder and that they must attend the meeting to vote on your behalf and according to your instructions. If you do not indicate your voting instructions, your proxyholder can vote as he or she sees fit.

The transfer agent must receive the completed proxy form by 11:00am (Toronto time) on October 16, 2017, or 48 hours (excluding Saturdays, Sundays or holidays) before any adjournment(s) of the Meeting.

Non-Registered Shareholders

Non-registered Shareholders are those holders who beneficially own Common Shares registered in the name of an intermediary with whom the non-registered Holder deals in respect of the Common Shares, such as banks, trust companies, securities dealers (all, an "**Intermediary**") or in the name of a clearing agency such as CDS Clearing and Depository Services Inc. Securities laws require the Corporation to send the meeting materials to the Intermediaries and clearing agencies so they can distribute them to our non-registered shareholders. These materials include the notice of the meeting, the Circular, a proxy or voting instruction form, a consent form to receive supplemental mailings and other deliverables if the non-registered Shareholder requested a copy and documents by electronic delivery.

Intermediaries and clearing agencies must forward the meeting materials to non-registered Shareholders unless the shareholder has waived the right to receive them. If you are a non-registered Shareholder and have not waived the right to receive the materials, your package includes either a voting instruction form (not signed by your intermediary), or a proxy form (signed by your intermediary).

Either form instructs your intermediary (the registered shareholder) to vote your shares according to your instructions. Be sure to send back your completed form as soon as possible to ensure your intermediary carries out your voting instructions.

The Corporation will not be paying for Intermediaries to deliver to non-registered Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation (who have not otherwise waived their right to receive proxy-related materials). Accordingly, such non-registered Shareholders will not receive copies of the proxy-related materials and related documents unless their Intermediary assumes the costs of delivery

Voting Securities and Principal Holders

The authorized capital of the Corporation consists of an unlimited number of Common Shares and no preferred shares. As of the Record Date, Pitchblack had 9,922,479 Common Shares issued and outstanding and no preferred shares issued and outstanding.

To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares, other than 2227929 Ontario Inc. (which holds 2,500,000 Common Shares, being 15.2% of the issued and outstanding Common Shares) and Pat Gleeson (who holds 1,005,101 Common Shares, being

10.1% of the issued and outstanding Common Shares).

PART II – BUSINESS OF THE MEETING

Other than in respect of the election of directors, the approval of the Option Plan and with matters concerning the Transaction (as both terms are defined below), no informed person (as such term is defined under applicable securities laws) of Pitchblack or Nominee (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since January 1, 2016 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries other than as disclosed herein and with respect to the issuance of Common Shares to management and certain directors of the Corporation at a deemed issuance price of $0.09 per Common Share to settle outstanding debt obligations.

Financial Statements

The audited consolidated financial statements for the financial year ended December 31, 2016, together with the auditor's report thereon, will be presented to Shareholders for review at the Meeting and were mailed to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of UHY McGovern Hurley LLP, Chartered Accountants, as auditors of the Corporation until the close of the next annual meeting of shareholders of the Corporation and to authorize the directors to fix their remuneration. UHY McGovern Hurley LLP, Chartered Accountants, were appointed as the auditors of the Corporation on March 7, 2006.

The following table sets out the audit and audit-related fees billed by the Corporation's auditors for the years ended December 31, 2016 and 2015.

Year	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2016	$18,360	Nil	$4,000	Nil
2015	$18,360	Nil	$5,000	Nil

For additional information about the Corporation's auditors and the audit committee of Pitchblack (the "**Audit Committee**", please refer to the section "Committees of the Board – Audit Committee" along with the Audit Committee Charter attached as Exhibit "A" hereto.

Approval of Stock Option Plan

The Corporation's stock option plan (the "**Option Plan**") is designed to advance the interests of the Corporation by encouraging employees, officers and consultants to have equity participation in the Corporation through the acquisition of Common Shares. Accordingly, the Corporation has adopted the Option Plan. The Option Plan was approved by the shareholders of the Corporation at its last annual meeting held on October 8, 2016. A copy of the Option Plan is attached at Exhibit "B' hereto. The following is a summary of the terms of the proposed Option Plan, which is qualified in its entirety by the provisions of the Option Plan.

The Corporation's current stock option plan is a "rolling" stock option plan under Policy 4.4 – Incentive Stock Options of the corporate finance manual of the TSX Venture Exchange (the "**TSXV**"), *as* under the Option Plan the Corporation is authorized to grant stock options of up to 10% of its issued and outstanding Common Shares at the time of the stock option grant, from time to time, with no vesting provisions. As of the Record Date there is an aggregate of 825,000 stock options outstanding under the Option Plan, which represents approximately 8.3% of the outstanding Common Shares of the Corporation.

Directors, officers, employees and certain consultants shall be eligible to receive stock options under the Option Plan. Upon the termination of an optionholder's engagement with the Corporation, the cancellation or early vesting of any stock option shall be in the discretion of the Board of Directors. In general, the Corporation expects that stock options will be cancelled 90 days following an optionholder's termination from the Corporation. Stock options granted under the Option Plan shall not be assignable.

The terms and conditions of each option granted under the Option Plan will be determined by the Board of Directors. Options will be priced in the context of the market and in compliance with applicable securities laws and TSXV guidelines. Vesting terms will be determined at the discretion of the Board of Directors. The Board of Directors shall also determine the term of stock options granted under the Option Plan, provided that no stock option shall be outstanding for a period greater than five years.

The Board of Directors believes that, except for certain material changes to the Option Plan, it is important that the Board of Directors has the flexibility to make changes to the Option Plan without shareholder approval, including appropriate adjustments to outstanding options in the event of certain corporate transactions, the addition of provisions requiring forfeiture of options in certain circumstances, specifying practices with respect to applicable tax withholdings and changes to enhance clarity or correct ambiguous provisions.

The Option Plan does not provide for the transformation of stock options granted under the Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.

The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Option Plan.

The Corporation is required to obtain the approval of its Shareholders to any stock option plan that is a "rolling" plan yearly at the Corporation's annual meeting of Shareholders. Accordingly, at the Meeting, Shareholders will be asked to approve the following ordinary resolution approving the Option Plan:

"BE IT RESOLVED THAT:

1. the current Stock Option Plan of Pitchblack Resources Ltd. (the "**Corporation**"), as described in the management information circular of the Corporation dated September 20, 2017 is hereby approved; and

2. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions."

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE APPROVAL OF THE OPTION PLAN.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH ORDINARY RESOLUTION.

Approval of Restricted Share Unit Plan

In anticipation of graduating to the TSX, the Board of Directors has recommended the adoption, subject to the receipt of requisite Shareholder approval, of a Restricted Share Unit Plan ("**RSU Plan**"). The Board of Directors determined that it was desirable to broaden the range of incentive plans available to directors, officers, employees and consultants of the Corporation beyond the grant of stock options.

The following is a summary of the key terms of the RSU Plan, which summary is qualified in its entirety by the full terms of the RSU Plan attached hereto as Exhibit "C" hereto. The RSU Plan provides that restricted share units ("**RSUs**") may be granted by the Board of Directors or the Compensation Committee and is for the benefit of directors, officers, employees and direct and indirect service providers of the Corporation or its subsidiaries. A RSU is a unit credited by means of an entry on the books of the Corporation to a participant, representing the right to receive one

Common Share or cash (at the Board of Directors' discretion) equal to the market price of the Common Share on the vesting date. The number of Common Shares reserved for issuance pursuant to the RSU Plan and all other security-based compensation arrangements of the Corporation and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding, calculated on a non-diluted basis. Any Common Shares subject to a RSU which are cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available for issuance under the RSU Plan.

Grants of RSUs under the RSU Plan are subject to a number of restrictions including the following:

(i) the aggregate number of Common Shares which may be reserved for issuance to insiders under the RSU Plan and all other security-based compensation arrangements of the Corporation and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis; and

(ii) during any one-year period, the Corporation shall not issue to insiders under the RSU Plan and all other security-based compensation arrangements of the Corporation and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis.

In addition the aggregate number of Common Shares made available for issuance from treasury to all nonemployee directors of the Corporation or any of its subsidiaries under the RSU Plan, or when combined with all of the other security based compensation arrangements of the Corporation and its subsidiaries, shall not exceed 1% of the Corporation's total issued and outstanding Common Shares, calculated on a non-diluted basis.

The number and terms of RSUs granted to participants will be determined by the Compensation Committee and credited to the participant's account effective on the date of grant. Subject to the Compensation Committee's discretion, RSUs granted to directors and officers will vest in their entirety within three years after the date of grant.

In the event dividends are paid to shareholders while RSUs are outstanding, additional RSUs in lieu of any cash dividends will be credited to participants. For the avoidance of doubt, no cash payment will be made to a participant if cash dividends are paid to shareholders other than cash paid to a participant on an entitlement date.

In the event of a participant's resignation or employment termination with cause, the RSUs will be forfeited and of no further force or effect at the date of termination, unless otherwise determined by the Compensation Committee.

In the event of the participant's employment termination without cause, their RSUs will be forfeited at the date of termination except as may otherwise be stipulated at the time of grant of the RSUs or by the Board of Directors.

Subject to the terms of the applicable grant agreement, in the event of a participant's death, all unvested RSUs will vest and be settled as soon as reasonably practical. Subject to the terms of the applicable grant agreement, in the event of a change of control, all RSUs outstanding will vest immediately prior to the date of such change of control or as otherwise determined by the Board of Directors.

All of the termination provisions in the RSU Plan shall be subject to the terms of any employment or severance agreement between the applicable participant and the Corporation. RSUs are not transferable other than by will or the laws of dissent and distribution.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, pass an ordinary resolution as follows:

"BE IT RESOLVED THAT:

1. the restricted share unit plan (the "**RSU Plan**") of Pitchblack Resources Ltd. (the "**Corporation**") as described in the management information circular of the Corporation dated September 20, 2017, is hereby ratified, confirmed and approved;

2. the board of directors of the Corporation (the "**Board**") is authorized to make grants under the RSU Plan following the listing of the common shares of the Corporation on the Toronto Stock Exchange;

3. notwithstanding the passage of this resolution by the shareholders of the Corporation, the Board may, without any further notice or approval of the shareholders of the Corporation, decide not to proceed with the implementation of the RSU Plan or to otherwise give effect to this resolution at any time prior to the sale becoming effective and may revoke this resolution without further approval of the shareholders at any time prior to the completion of the transactions authorized by this resolution; and

4. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions."

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE APPROVAL OF THE RSU PLAN.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RSU PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH ORDINARY RESOLUTION.

Approval of Name Change

Background

The Corporation has entered into two share purchase agreements (together, the "**Transaction**") relating to the proposed acquisition by the Corporation of the past producing Troilus gold project, located approximately 450 kilometres north east of Val-d'Or in the province of Quebec (the "**Troilus Project**"). The Transaction is further described in a press release of the Corporation dated and issued on September 8, 2017.

Pursuant to an amended and restated share purchase agreement (the "**Sulliden Purchase Agreement**") with Sulliden Mining Capital Inc. ("**Sulliden**") dated September 8, 2017, Pitchblack has agreed to purchase all of the outstanding equity securities of 2507868 Ontario Inc. (the "**Sulliden Sub**"), which holds an option to acquire 100% of the Troilus Project (subject to the option granted to 2513924 Ontario Inc. ("**251 Ontario**") as outlined below), from Sulliden. The consideration payable by Pitchblack to Sulliden pursuant to the terms of the Sulliden Purchase Agreement is 60,000,000 Common Shares.

Pitchblack has also entered into a share purchase agreement dated September 8, 2017 (the "**251 Purchase Agreement**") with the shareholders of 251 Ontario to purchase all of the shares of 251 Ontario, which holds an option to acquire 40% of the Troilus Project from Sulliden Sub as outlined below. The consideration payable to the shareholders of 251 Ontario pursuant to the terms of the 251 Purchase Agreement is 40,000,000 Common Shares.

The Option Agreements

On May 2, 2016, Sulliden Sub entered into an option agreement (the "**Option Agreement**") with First Quantum Minerals Ltd. ("**First Quantum**") to acquire the Troilus Project. Pursuant to the Option Agreement, Sulliden Sub holds a two-year option to purchase a 100% interest in the Troilus Project. To exercise the option, a minimum of $1,000,000 must be spent on engineering and technical studies to evaluate the economic viability of the project. Upon signing, an initial cash payment of $100,000 was made to First Quantum by Sulliden on behalf of Sulliden Sub. An additional cash payment of $100,000 was made May 2, 2017, again by Sulliden on Sulliden Sub`s behalf, and a final cash payment of $100,000 will be made on the date of exercise of the option. Additionally, a variable Net Smelter Royalty of 1.5% or 2.5% depending on the gold price being more or less than US$1,250/ounce during the reference period will be granted to First Quantum.

On June 2, 2016, Sulliden and Sulliden Sub entered into an option agreement with 251 Ontario whereby Sulliden Sub granted 251 Ontario an option to acquire a 40% interest in the Troilus Project for a period of 30 days following the exercise by Sulliden Sub of its option to acquire 100% of the Troilus Project. To exercise this option, 251 Ontario is required to make a cash payment to Sulliden Sub equal to 40% of the expenditures incurred by Sulliden Sub in connection with the exercise of its option with First Quantum (the "**Option Payment**"), and an additional cash payment to Sulliden Sub equal to 5% of the Option Payment. In addition, upon exercise by 251 Ontario of the option, Sulliden Sub shall grant a 1% Net Smelter Royalty to 251 Ontario (the "**Royalty**"). Pursuant to an assignment agreement dated June 29, 2016, 251 Ontario subsequently transferred and assigned all of its right, title and interest in the Royalty to 2489243 Ontario Inc.

The share purchase transactions outlined in both the Sulliden Purchase Agreement and the 251 Purchase Agreement, which together constitute the Transaction, are expected to close concurrently. Closing of the Transaction is subject to a number of conditions including, but not limited to, acceptance of the TSXV and, if applicable, disinterested shareholder approval obtained in accordance with the rules of the TSXV. There is no assurance that the Transaction will be completed as proposed or at all.

The Name Change

The Corporation is contemplating changing its name to more accurately reflect the activities of the Corporation following the completion of the Transaction (the "**Name Change**"). Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, to pass a special resolution as set forth below hereto authorizing the Board of Directors, in its sole discretion, to change the name of the Corporation to "Troilus Gold Inc." or such other name as the Board of Directors, in its sole discretion, deems appropriate. Notwithstanding approval of the name change by Shareholders, the Board of Directors may, in its sole discretion, revoke this special resolution, and abandon the name change without further approval or action by or prior notice to Shareholders. Any name change of the Corporation will be subject to the approval of the TSXV.

At the Meeting, Shareholders will be asked to consider, and if deemed to be advisable approve, the following special resolution, which must be passed by two-thirds of the votes cast by the Shareholders in person or by proxy at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting. Approval of the special resolution for the Name Change does not necessarily mean the Board of Directors will implement the Name Change, as the Board of Directors will also have the discretion not to proceed with the Name Change. The Transaction may also proceed regardless of whether the Shareholders approve the Name Change.

"BE IT RESOLVED THAT:

1. subject to Pitchblack Resources Ltd**. (**the "**Corporation**") first receiving all required regulatory and TSX Venture Exchange approvals, the name of the Corporation be changed to "Troilus Gold Inc." or such other name as may be approved by the board of directors of the Corporation (the "**Board**") and applicable regulatory authorities;

2. the articles of the Corporation be amended to reflect the foregoing;

3. the Board be and are authorized to file articles of amendment and all other requisite documents with all applicable regulatory authorities in order to give effect to the name change;

4. notwithstanding the passage of this resolution by the shareholders of the Corporation, the Board may, without any further notice or approval of the shareholders of the Corporation, decide not to proceed with the name change or to otherwise give effect to this resolution at any time prior to the transactions to acquire the Troilus gold project becoming effective and may revoke this resolution without further approval of the shareholders at any time prior to the completion of the transactions authorized by this resolution; and

5. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions."

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE APPROVAL OF THE NAME CHANGE.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE NAME UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Share Consolidation

Following the completion of the Transaction, it is anticipated that the issued and outstanding capital of the Corporation will consist of 109,922,479 Common Shares. In order to facilitate equity financings either prior to or following completion of the Transaction, management of the Corporation has determined that it is in the best interests of the Corporation to effect a consolidation of the Corporation's issued and outstanding Common Shares on the basis of up to four pre-consolidated Common Shares for 1 post-consolidated common share (the "**Consolidation**").

As of the date of this Circular, the Corporation has an aggregate of 9,922,479 issued and outstanding Common Shares. Accordingly, assuming no other change in the issued capital following the completion of the Transaction and the Consolidation occurring on the basis of four pre-consolidated Common Shares to one post-consolidated common share, a total of approximately 27,480,619 Common Shares would be issued and outstanding. While the Consolidation will result in each shareholder holding a smaller number of Common Shares, it will not materially affect the Shareholders percentage ownership or voting rights in the Corporation. There is currently no maximum number of authorized Common Shares and on effecting the Consolidation there will continue to be no maximum number of authorized Common Shares.

Fractional Shares

No fractional Common Shares will be issued in connection with the Consolidation. If as a result of the Consolidation, a shareholder would otherwise become entitled to a fraction of a post-consolidation Common Share, the number of post-consolidation Common Shares issuable to such shareholder will be rounded down to the nearest whole number. In all other respects, the post-consolidation Shares will have the same attributes as the existing Common Shares.

Purpose of Consolidation

In order to align the value of the Common Shares to the price per Common Share at which the Transaction will be completed, the Corporation proposes that, subject to obtaining all required regulatory and shareholder approvals, immediately following the completion of the Transaction, the Corporation's issued and outstanding share capital be consolidated on the basis of one post-consolidation Common Share for every four pre-consolidation Common Shares.

The Consolidation is also subject to applicable regulatory approval, including approval of the TSXV.

At the Meeting, Shareholders will be asked to consider, and if deemed to be advisable approve, the following special resolution, which must be passed by two-thirds of the votes cast by the Shareholders in person or by proxy at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting. Approval of the special resolution for the Consolidation does not necessarily mean the Board of Directors will implement the Consolidation, as the Board of Directors will also have the discretion not to proceed with the Consolidation. The Transaction may also proceed regardless of whether the Shareholders approve the Consolidation.

"BE IT RESOLVED THAT:

1. subject to the approval of the TSX Venture Exchange, if and when the directors of the Corporation shall deem appropriate to do so, the issued and fully paid Common Shares without par value of the Corporation (the "**Consolidated Common Shares**") be consolidated at a ratio of four pre-consolidated common shares for one post-consolidated common share (the "**Consolidation**"), provided however, that holders of Common Shares shall not be entitled to receive any fractional Consolidated Common Shares following the Consolidation and any fraction must be cancelled by the Corporation;

2. The board of directors of the Corporation (the "**Board**"), in their sole and complete discretion, are authorized and empowered to act upon this ordinary resolution to effect the Consolidation and to determine the actual Consolidation ratio (such ratio not to exceed four pre-consolidated common shares for one post-consolidated common share);

3. notwithstanding the passage of this resolution by the shareholders of the Corporation, the Board may, without any further notice or approval of the shareholders of the Corporation, decide not to proceed with the Consolidation or to otherwise give effect to this resolution at any time prior to or following the transactions to acquire the Troilus gold project becoming effective and may revoke this resolution without further approval of the shareholders at any time prior to the completion of the transactions authorized by this resolution; and

4. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions."

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE APPROVAL OF THE CONSOLIDATION.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE CONSOLIDATION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Election of Directors

At the Meeting, the Shareholders are required to elect the directors of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. The Board of Directors presently consists of four directors, namely, William Clarke, Scott Moore, Patrick Gleeson and Thomas Olesinski.

Given that the Corporation will focus on the development of the Troilus Project following the completion of the Transaction, directors must be elected for the Corporation both prior to and following the completion of the Transaction.

It is advisable to set the number of directors on the Board of Directors at four and to (A) to elect William Clarke, Scott Moore, Patrick Gleeson and Thomas Olesinski (the "**Pitchblack Proposed Directors**") directors of the Corporation to serve from the close of the Meeting until the earlier of (i) the close of the next annual meeting of shareholders of the Corporation, and (ii) a date determined by the Pitchblack Proposed Directors, such date to be (x) no earlier than the time of completion of the Transaction (as defined below) and (y) not later than one business day following the date of completion of the Transaction (and if no such determination is made by the Pitchblack Proposed Directors, such determination will be deemed to have been made by the Pitchblack Proposed Directors and the date deemed to be determined by the Pitchblack Proposed Directors shall be the date of completion of the Transaction) (any such date determined, or deemed to be determined by the Pitchblack Proposed Directors, the "**Change of Board Time**"); and (B) to elect Justin Reid, Scott Moore, Thomas Olesinski, and Peter Tagliamonte (the "**Troilus Proposed Directors**") as directors of the Corporation to serve from the Change of Board Time until the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

At the Meeting, Shareholders will be asked to elect these Nominees as directors of the Corporation. **The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director.**

As the Corporation has adopted a Majority Voting Policy (as defined below), the process for voting for election of each director will be by individual voting and not by slate. The Shareholders can vote for or withhold from voting on the election of each director on an individual basis. See "About the Board" for more information on our Majority Voting Policy.

The nominated directors are profiled below, including his background and experience, committee memberships, share ownership and other public company directorships. All Pitchblack Proposed Director nominees were elected as a director by the Shareholders at the last annual meeting.

Director Profiles

Pitchblack Proposed Directors

William Clarke- Director Since December 23, 2004 (Ontario, Canada) Mr. Clarke served as Special Advisor to the board of directors of Desert Sun Mining from 2000 to 2004 and he has held the position of President and CEO of the Canadian Nuclear Association. Mr. Clarke served in Canada's Foreign Service for 34 years with assignments including Canadian Ambassador to Brazil, Sweden and the Baltic Republics. He retired from public service in 2000 as Canada's Chief Trade Commissioner. He currently provides consulting and advocacy services for companies as a member of Trade Commissioner Consulting Services Inc.

Shareholdings: Nil
Other Public Company Boards: Belo Sun Mining Corp.

Scott Moore- Director Since June 10, 2011 (Ontario, Canada) Mr. Moore is an experienced business executive with over 20 years in the resource and durable goods sector. He currently is President and Chief Executive Officer of the Corporation, Euro Sun Mining Inc. and Copper One Inc. He was previously the President and CEO of Dacha Strategic Metals Inc. and the Senior VP Corporate Development of Sulliden Gold Corporation Ltd. He holds a Bachelor of Arts degree from the University of Toronto and an MBA from the Kellogg School of Management.

Shareholdings: 388,889
Other Public Company Boards: Blue Sky Energy Inc., Mason Graphite Inc., Tangelo Games Corp. Copper One Inc. and Euro Sun Mining Inc.

Patrick Gleeson- Director Since September 29, 2015 (Ontario, Canada) Mr. Gleeson is a lawyer with over 15 years of transaction experience, predominantly focused on earlier stage development projects in the natural resource space. He has served on the board of multiple natural resource companies, both private and public. He received a J.D. and M.A. in International Relations from the University of Toronto.

Shareholdings: 1,005,101
Other Public Company Boards: Nil

Thomas Olesinski- Director Since April 20, 2017 (Ontario, Canada) Mr. Olesinski, CPA, CMA, has over 20 years of finance and management experience. Mr. Olesinski worked as a managing forensic accountant for BDO Dunwoody, where he earned a Certified Fraud Examiner designation, before moving into the marketing communications industry, where he worked for Cossette Communication Group in various roles, including Director of Finance and Operations. Mr. Olesinski currently serves as Chief Executive Officer of Havas Media Canada as well as Chief Financial Officer of Havas Worldwide Canada.

Shareholdings: Nil
Other Public Company Boards: Savary Gold Corp. and Copper One Inc.

Troilus Proposed Directors

Justin Reid (Ontario, Canada)- Mr. Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the resource space. From February 2013 to August 2014, Mr. Reid served as President of Sulliden Gold Corporation Ltd. Since the sale of Sulliden Gold Corporation Ltd. to Rio Alto Mining Limited, Mr. Reid has served as the CEO of Sulliden Mining Capital Inc. Mr. Reid holds a B.Sc from the University of Regina, an M.Sc from the University of Toronto and MBA from the Kellogg School of Management at Northwestern University. Mr. Reid started his career as a geologist with the SGS and Cominco Ltd after which he became a partner and senior mining analyst at Cormark Securities in Toronto. In 2009, Mr. Reid was named Executive General Manager at Paladin Energy responsible for leading all merger and acquisition, corporate and market related activities. He returned to

Canada in early 2011 assuming the role of Managing Director Global Mining Sales at National Bank Financial, where he directed the firm's sales and trading in the mining sector**.**

Shareholdings: Nil
Other Public Company Boards: Aguia Resources Limited, Euro Sun Mining Inc., Sulliden Mining Capital Inc. and Trigon Metals Inc.

Scott Moore- please see the biography for Mr. Moore included under the heading "Pitchblack Proposed Directors", above.

Thomas Olesinski (Ontario, Canada)- please see the biography for Mr. Olesinski included under the heading "Pitchblack Proposed Directors", above.

Peter Tagliamonte, (North Bay, Ontario)- Mr. Tagliamonte is a professional mining engineer and also holds an MBA from the Richard Ivey School of Business at the University of Western Ontario. Mr. Tagliamonte is the current CEO of Belo Sun Mining Corp., a precious metal resource exploration and development company focused on the Volta Grande property in Brazil. He is also an executive director of Sulliden Mining Capital Inc. He is the former President and CEO of Central Sun Mining, Chief Executive Officer of Sulliden Gold Corporation Ltd. and former Chief Operating Officer of Desert Sun Mining where he developed the Jacobina Mine in Brazil into a 4,200-tonne-per-day mining operation. Mr. Tagliamonte has over 25 years of progressive managerial experience building and operating mines worldwide, notably in Central and South America. In 2005, he received the Mining Journal's "Mine Manager of the Year" award in recognition for his work in the mining sector. Mr. Tagliamonte also serves as a director of several public companies in the resource sector.

Shareholdings: Nil
Other Public Company Boards: Belo Sun Mining Corp., Euro Sun Mining Corp., Rio Alto Mining Corp. and Sulliden Mining Capital Inc.

Other Information about the Director Nominees

No proposed director of the Corporation (a) is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) no proposed director of the Corporation (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and (c) no proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Corporate Governance

The Corporation and the Board of Directors recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and Shareholders, and enhancing Shareholder value.

The Board of Directors fulfills its mandate directly at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks that the Corporation faces.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements for TSXV listed issuers. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

Ethical Business Conduct

The Board of Directors is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board of Directors has not adopted a written code of business conduct and ethics, however, the Board of Directors encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board of Directors ensures that directors exercise independent judgement in considering transactions and certain activities of the Corporation by holding in camera sessions of independent directors, when applicable, and by having each director declare his or her interest in a particular transaction and abstaining from voting on such matters, where applicable.

About the Board of Directors

Independence of the Board

The Board of Directors is currently comprised of three members, two of whom the Board of Directors has determined are independent as follows:

Director	Independent	Not Independent	Reason for Non-Independence
William Clarke	√		
Scott Moore		√	President and CEO of the Corporation
Patrick Gleeson	√		
Thomas Olesinski	√		

To facilitate the functioning of the Board of Directors independently of management, the following structures and processes are in place:

- a majority of the directors are not management of the Corporation and are considered independent of the Corporation;

- under the by-laws of the Corporation, any two directors may call a meeting of the Board of Directors; and

- the Board of Directors practice is to hold in-camera meetings with the independent directors at the end of each Board of Directors or committee of the Board of Directors meeting to the extent required.

Nomination of Directors

The Board of Directors is solely responsible for identifying new candidates for nomination to the Board of Directors. The process by which candidates are identified is through recommendations presented to the Board of Directors, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

Compensation

The Board of Directors is responsible for determining the compensation of the directors and Chief Executive Officer of the Corporation. The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. The Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board of Directors may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board of Directors deem as worthy of recognition. The Board of Directors reviews and discusses proposals received by the Chief Executive Officer of the Corporation regarding the compensation of management, other than himself.

Board Assessments

The Board of Directors and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board of Directors encourages discussion amongst the Board of Directors as to evaluation of the effectiveness of the Board of Directors as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board of Directors at any time and are encouraged to do so.

Majority Voting Policy

The Corporation has adopted a majority voting policy ("**Majority Voting Policy**") to provide a meaningful way for Shareholders to hold individual directors accountable and to require the Corporation to closely examine directors that do not have the support of a majority of Shareholders. The Majority Voting Policy provides that forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee and that where a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Pursuant to the Majority Voting Policy, such a nominee will forthwith submit his or her resignation to the Board of Directors, such resignation to be effective on acceptance by the Board of Directors. The Board of Directors will then establish an advisory committee (the "**Committee**") to which it shall refer the resignation for consideration. In such circumstances, the Committee will make a recommendation to the Board of Directors as to the director's suitability to continue to serve as a director after reviewing, among other things, the results of the voting for the nominee and the Board of Directors will consider such recommendation. This Majority Voting Policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board of Directors).

Orientation and Continuing Education

The Board of Directors will be responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board of Directors meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board of Directors and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions. The Board of Directors recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board of Directors notes that it has benefited from the experience and knowledge of individual members of the Board of Directors in respect of the evolving governance regime and principles. The Board of Directors ensures that all directors are apprised of changes in the Corporation's operations and business.

Audit Committee

The purposes of the Audit Committee are to assist the Board of Directors' oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function.

The Corporation's Audit Committee is comprised of three directors: William Clarke, Thomas Olesinski and Patrick Gleeson. Each member of the Audit Committee is financially literate and each is independent, as required by applicable securities laws. Please refer to "Director Profiles", above, for the relevant education and experience of each of the members of the Audit Committee. A copy of the Audit Committee charter is set out in Exhibit "A" hereto.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on either (a) an exemption in section 2.4 of National Instrument 52-110 – Audit Committees (the "**Instrument**"); or (b) an exemption from the Instrument, in whole or in part, granted under Part 8 (Exemptions) of the Instrument. As the Corporation is listed on the TSXV, it is relying on the exemption provided in section 6.1 of the Instrument, part 5 (Reporting Obligations).

External Auditor

The Audit Committee pre-approves all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditors.

Please see above under the heading "Appointment of Auditors" for the fees paid to external auditors in 2016 and 2015.

<u>Executive Compensation</u>

Compensation Discussion and Analysis

The objectives of the Corporation's compensation strategy was to ensure that compensation for its named executive officers, being the chief executive officer, the chief financial officer and each of the three most highly compensated executive officers other than the CEO and CFO at the end of the two most recently completed financial years whose total compensation was individually more than $150,000 for such financial years (the "**NEOs**"), is sufficiently attractive to retain high performing individuals to assist Pitchblack in conducting its strategic review.

The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. The independent directors were involved in the process of determining base compensation and discretionary stock option participation. Except as otherwise described below, Pitchblack does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board of Directors may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board of Directors deem as worthy of recognition.

Compensation for the NEOs is composed primarily of three components: base fees, performance bonuses and stock based compensation. In establishing the levels of base fees, performance bonuses and the award of stock options, Pitchblack takes into consideration a variety of factors, including the financial and operating performance of the Corporation, and each NEO's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service.

Salary

Amounts paid to executive officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. Certain of the NEOs provide their services in similar capacities to other reporting issuers, in addition to Pitchblack. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective NEO and the Corporation and is therefore heavily discretionary. There were no material changes to the base compensation of the NEOs during the financial year ended December 31, 2016, other than the base salary of Mr. Moore increased from $5,000 per month to $15,000 per month following the reduction of the Corporation's legal department.

Bonus

Pitchblack's cash bonus awards are designed to reward an executive for the direct contribution which he or she can make to the Corporation. NEOs are entitled to receive discretionary bonuses from time to time as determined or approved by the Board of Directors or the Chief Executive Officer, as applicable. The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals that may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board of Directors. There were no performance based bonuses paid to the NEOs during the financial year ended December 31, 2016.

Stock Option Grants

Options are granted pursuant to the Option Plan and in accordance with the rules of the TSXV. The Option Plan is administered by the Board of Directors, which has authority to amend the Option Plan and the terms of the outstanding options, subject to applicable regulatory and shareholder approvals and provided that no amendment may materially impair the rights of existing optionholders in respect of options outstanding prior to the amendment. See above under the section "Business of the Meeting – Approval of Stock Option Plan."

The table below sets out the outstanding options under the Stock Option Plan, being the Corporation's only compensation plan under which Common Shares are authorized for issuance, as of December 31, 2016.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))**
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by security holders	600,000	$0.10	40,706
Equity compensation plans not approved by security holders	NIL	NIL	NIL
TOTAL	**600,000**	**NIL**	**40,706**

In addition, the table below sets out the outstanding options granted under the Option Plan, the NEOs and directors during the year ended December 31, 2016.

Compensation Securities							
Name and Principal position	**Type of compensation security**	**Number of compensation securities, number of underlying securities and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date**
Scott Moore Director, President and CEO	Stock options	200,000 options to purchase 200,000 common shares	Nov 7, 2016	0.10	0.025	0.025	Nov 7, 2021
Greg Duras CFO	Stock options	50,000 options to purchase 50,000 common shares	Nov 7, 2016	0.10	0.025	0.025	Nov 7, 2021
William Clarke, Director	Stock options	100,000 options to purchase 100,000 common shares	Nov 7, 2016	0.10	0.025	0.025	Nov 7, 2021
Patrick Gleeson, Director	Stock options	100,000 options to purchase 100,000 common shares	Nov 7, 2016	0.10	0.025	0.025	Nov 7, 2021

Notes:

(1) Mr. Clarke was also granted 50,000 stock options at a strike price of $0.30 on April 20, 2017. The options expire on April 20, 2022.

(2) Thomas Olesinski, a director of the Corporation, was granted 150,000 stock options at a strike price of $0.30 on April 20, 2017. The options expire on April 20, 2022.

No outstanding options were exercised pursuant the Option Plan during the year ended December 31, 2016. However, Mr. Gleeson exercised 100,000 stock options at an exercise price of $0.10 on April 11, 2017.

Other Compensation Matters

Indebtedness of Directors and Officers

As at the date of this Circular, and during the financial year ended December 31, 2016, no director or executive officer of the Corporation (or Nominee and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended December 31, 2016, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

Directors' and Officers' Insurance and Indemnification

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of $2,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended December 31, 2016 in respect of such insurance was $8,100.

Summary Compensation Table

The following table summarizes the compensation paid during the two financial years ended December 31, 2016, and December 31, 2015 in respect of the individuals who were carrying out the role of the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of the Corporation during 2016 and 2015 and each of the three most highly compensated executive officers other than the CEO and CFO at the end of the two most recently completed financial years whose total compensation was individually more than $150,000 for such financial years and any other individual who earned more than $150,000 in the two most recently completed financial years who is neither an officer of the Corporation nor acting in a similar capacity. Other than as identified in the table below, no other executive officer received compensation of $150,000 or more in the years ended December 31, 2016 or December 31, 2015.

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year**	**Salary, consulting fee, retainer or commission[(1)] ($)**	**Bonus ($)**	**Committee or Meeting Fees ($)[(1)]**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Scott Moore[(3)] President and CEO	2016 2015	180,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	180,000 Nil
Josh Van Deurzen Former President & CEO[(3)]	2015	2,500	Nil	Nil	Nil Nil	Nil	2,500
Greg Duras CFO	2016 2015	60,000 60,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	60,000 60,000

Notes:

(1) Compensation has been paid as consulting fees under the independent contractor agreement with the Named Executive Officer as described under the heading "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts" of this Circular.

(2) Other benefits did not exceed the lesser of $50,000 and 10% of the total annual compensation for the Named Executive Officer.

(3) Josh Van Deurzen was appointed President and CEO on November 12, 2013. Mr. Van Deurzen subsequently stepped down on January 30, 2015 and Scott Moore was appointed President and CEO on January 30, 2015.

Long Term Incentive Plan

The Corporation does not currently have a long term incentive plan.

Defined Benefit or Actuarial Plan

The Corporation does not currently have a defined benefit, defined contribution or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of services.

Termination of Employment, Change in Responsibilities, and Employment Contracts

The following describes the respective consulting agreements entered into by the Corporation and the NEOs.

Name	Notice Period	Monthly Fees	Severance on Termination	Severance on Change of Control
Scott Moore President and CEO[(1)]	30 days	$15,000	6 months' fees	36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
Greg Duras, CFO	30 days	$5,000	12 months' fees	36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
Forbes & Manhattan, Inc. [(2)]	90 days	$10,000	Three months' fees	None

Notes:

(1) Mr. Moore was appointed President and CEO of Pitchblack on January 30, 2015 and his consulting agreement is effective as of January 1, 2016.

(2) The Corporation has entered into an agreement with Forbes & Manhattan Inc. ("**Forbes**"), of which Stan Bharti is the Executive Chairman, pursuant to which Forbes agreed to provide consulting services to the Corporation through a number of individuals, including administrative, financial and information technology services. Forbes provides various administrative, strategic and technical services to the Corporation through its team of geologists, mining engineers and financial professionals. The nature of services provided includes assistance with strategic planning and development of business plans, development of capital markets strategy, assessment of strategic transactions, including business, technical and geological, and financial due diligence, fostering public and government relationships and fostering relationships with strategic investors and investment banks. The Corporation believes that these services contribute to the success of Pitchblack and its ability to complete strategic acquisitions and financings, and the development of its properties.

For the purpose of the agreements set forth above, "Change in Control" is defined as the acquisition by any person or entity of:

(1) shares or rights or options to acquire shares of the Corporation or securities which are convertible into Common Shares or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation;

(2) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or

(3) more than 50% of the material assets of the Corporation, including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation.

Summary of Termination Payments

The estimated incremental payments, payables and benefits that might be paid to the NEOs pursuant to the above noted agreements in the event of termination without cause or after a Change in Control (assuming such termination or Change in Control is effective as of December 31, 2016) are detailed below:

Named Executive Officer	Termination not for Cause	Termination on a Change of Control
Greg Duras		
Salary and Quantified Benefits	$60,000	$180,000
Bonus	Nil	Nil
Total	$60,000	$180,000
Forbes & Manhattan, Inc.		
Salary and Quantified Benefits	$60,000	$360,000
Bonus	Nil	Nil
Total	$60,000	$360,000

Compensation of Directors

Pat Gleeson was paid fees as a legal consultant to the Corporation commencing on January 1, 2016. For the year ended December 31, 2016, such fees amounted to $60,000. Aside from Mr. Gleeson, Pitchblack did not pay any compensation to its directors in the financial period ended December 31. The following information details compensation paid in the recently completed financial year.

Directors may receive cash bonuses from time to time, which the Corporation awards to directors for serving in their capacity as a member of the Board of Directors. In addition, directors are entitled to participate in the Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation.

Executive officers who also act as directors of the Corporation do not receive any additional compensation for services rendered in their capacity as directors.

Other Arrangements

Other than as disclosed below or elsewhere in this Circular, none of the directors or officers of the Corporation were compensated by the Corporation during the financial year ended December 31, 2016 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

The Corporation's Option Plan, described below, is the only compensation plan under which equity securities are authorized for issuance.

The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Circular. The Corporation has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

Management Contracts

Other than the agreement with Forbes as outlined above, the Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year or subsequently, up to and including the date of this Circular. The directors are reimbursed for expenses incurred in carrying out their duties as directors; and directors are eligible to receive options under the Option Plan.

Additional Information

Additional information relating to the Corporation may be found under the profile of Pitchblack on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2016, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the Corporate Secretary of the Corporation by email at dlopez@fmresources.ca or by telephone at 416-861-2269.

Board of Directors Approval

The contents of this Circular and the sending thereof to the Shareholders of Pitchblack have been approved by the Board of Directors.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"G. Scott Moore"*

G. Scott Moore
President and Chief Executive Officer

Toronto, Ontario
September 20, 2017

EXHIBIT A

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110)

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose: The purpose of the Committee is to:

a) significantly improve the quality of the Corporation's financial reporting;

b) assist the Board to properly and fully discharge its responsibilities;

c) provide an avenue of enhanced communication between the Board and external auditors;

d) enhance the external auditor's independence;

e) increase the credibility and objectivity of financial reports; and

f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

"Affiliate" means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Corporation;

"Charter" means this audit committee charter;

"Corporation" means Pitchblack Resources Ltd.;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation, except where there is evidence showing that the holder of those securities does not materially affect control of the Corporation;

"executive officer" means an individual who is: a) the chair of the Corporation; b) the vice-chair of the Corporation; c) the President of the Corporation; d) the vice-president in charge of a principal business unit, division or function including sales, finance or production; e) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of the Corporation; or f) any other individual who performs a policy-making function in respect of the Corporation;

“financially literate” has the meaning set forth in Section 1.3;

"immediate family member" means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual's home;

“independent” has the meaning set forth in Section 1.2;

“Instrument” means National Instrument 52-110; "MD&A" has the meaning ascribed to it in the National Instrument; “Member” means a member of the Committee;

"National Instrument 51-102" means National Instrument 51-102 Continuous Disclosure Obligations; and

"non-audit services" means services other than audit services.

1.2 Meaning of Independence 1. A Member is independent if the Member has no direct or indirect material relationship with the Corporation. 2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement. 3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Corporation: a) a Control Person of the Corporation; b) an Affiliate of the Corporation; and c) an employee of the Corporation.

1.3 Meaning of Financial Literacy -- For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

PART 2

2.1 Audit Committee – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors – The Corporation will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board:

a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and

b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

a) reviewing the audit plan with management and the external auditor;

b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;

c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;

d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;

f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;

g) reviewing interim unaudited financial statements before release to the public;

h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;

i) reviewing any evaluation of internal controls by the external auditor, together with management's response;

j) reviewing the terms of reference of the internal auditor, if any;

k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and

l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.

3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Corporation’s financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, and shall periodically assess the adequacy of those procedures.

6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.

7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.

8. The Committee shall, as applicable, establish procedures for: a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;

b) the Corporation or the relevant subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement;

c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.

2. Every Member shall be a director of the issuer.

3. The majority of Members shall be independent.

4. Every audit committee member shall be financially literate.

PART 4

4.1 Authority – Until the replacement of this Charter, the Committee shall have the authority to:

a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

b) set and pay the compensation for any advisors employed by the Committee;

c) communicate directly with the internal and external auditors; and

d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular -- If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.

3. Minutes shall be kept of all meetings of the Committee.

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EXHIBIT B

PITCHBLACK RESOURCES LTD.

(the "**Corporation**")

STOCK OPTION PLAN

1. STATEMENT OF PURPOSE

1.1 **Principal Purposes** – The principal purposes of the Plan are to provide the Corporation with the advantages of the incentive inherent in share ownership on the part of employees, officers, directors and consultants responsible for the continued success of the Corporation; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and to attract new employees, officers, directors and consultants to the Corporation.

1.2 **Benefit to Shareholders** – The Plan is expected to benefit shareholders by enabling the Corporation to attract and retain skilled and motivated personnel by offering such personnel an opportunity to share in any increase in value of the Shares resulting from their efforts.

2. INTERPRETATION

2.1 Defined Terms – For the purposes of this Plan, the following terms shall have the following meanings:

(a) "Act" means the Securities Act (Ontario), as amended from time to time;

(b) "Associate" shall have the meaning ascribed to such term in the Act;

(c) "Board" means the Board of Directors of the Corporation;

(d) "Change in Control" means:

(i) a takeover bid (as defined in the Act), which is successful in acquiring Shares,

(ii) the change of control of the Board resulting from the election by the members of the Corporation of less than a majority of the persons nominated for election by management of the Corporation,

(iii) the sale of all or substantially all the assets of the Corporation,

(iv) the sale, exchange or other disposition of a majority of the outstanding Shares in a single transaction or series of related transactions,

(v) the dissolution of the Corporation's business or the liquidation of its assets,

(vi) a merger, amalgamation or arrangement of the Corporation in a transaction or series of transactions in which the Corporation's shareholders receive less than 51% of the outstanding shares of the new or continuing corporation, or

(vii) the acquisition, directly or indirectly, through one transaction or a series of transactions, by any Person, of an aggregate of more than 50% of the outstanding Shares;

(e) "Committee" means a committee of the Board appointed in accordance with this Plan, or if no such committee is appointed, the Board itself;

(f) “Corporation” means Pitchblack Resources Ltd. a Corporation incorporated under the laws of the Province of Ontario;

(g) “Consultant” means an individual, other than an Employee, senior officer or director of the Corporation or a Subsidiary Corporation, or a Consultant Corporation, who;

(i) provides ongoing consulting, technical, management or other services to the Corporation or a Subsidiary Corporation, other than services provided in relation to a distribution of the Corporation’s securities,

(ii) provides the services under a written contract between the Corporation or a Subsidiary Corporation and the individual or Consultant Corporation,

(iii) in the reasonable opinion of the Corporation spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary Corporation, and

(iv) has a relationship with the Corporation or a Subsidiary Corporation that enables the individual or Consultant Corporation to be knowledgeable about the business and affairs of the Corporation;

(h) “Consultant Corporation” means, for an individual Consultant, a Corporation of which the individual is an employee or shareholder, or a partnership of which the individual is an employee or partner;

(i) “Date of Grant” means the date specified in the Option Agreement as the date on which the Option is effectively granted;

(j) “Disability” means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:

(i) being employed or engaged by the Corporation, a Subsidiary Corporation or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Corporation or a Subsidiary Corporation; or

(ii) acting as a director or officer of the Corporation or a Subsidiary Corporation;

(k) “Disinterested Shareholder Approval” means an ordinary resolution approved by a majority of the votes cast by members of the Corporation at a shareholders’ meeting, excluding votes attaching to Shares beneficially owned by Insiders to whom Options may be granted and Associates of those persons;

(l) “Effective Date” means the effective date of this Plan, which is the later of the day of its approval by the shareholders of the Corporation and the day of its acceptance for filing by the Exchange if such acceptance for filing is required under the rules or policies of the Exchange;

(m) “Eligible Person” means:

(i) an Employee, senior officer or director of the Corporation or any Subsidiary Corporation,

(ii) a Consultant,

(iii) an individual providing Investor Relations Activities for the Corporation;

(iv) a Corporation, all of the voting securities of which are beneficially owned by one or more of the persons referred to in (i), (ii) or (iii) above

(n) “Employee” means:

(i) an individual who is considered an employee under the Income Tax Act (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),

(ii) an individual who works full-time for the Corporation or a Subsidiary Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a Subsidiary Corporation over the details and methods of work as an employee of the Corporation or a Subsidiary Corporation, but for whom income tax deductions are not made at source,

(iii) an individual who works for the Corporation or a Subsidiary Corporation, on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a Subsidiary Corporation over the details and methods of work as an employee of the Corporation or a Subsidiary Corporation, but for whom income tax deductions are not made at source;

(o) “Exchange” means the stock exchange or over the counter market on which the Shares are listed;

(p) “Exchange Act” means the United States Securities Exchange Act of 1934, as amended;

(q) “Fair Market Value” means, where the Shares are listed for trading on an Exchange, the last closing price of the Shares before the Date of Grant on the Exchange which is the principal trading market for the Shares, as may be determined for such purpose by the Committee, provided that, so long as the Shares are listed only on the TSXVE, the “Fair Market Value” shall not be lower than the last closing price of the Shares before the Date of Grant less the maximum discount permitted under the policies of the TSXVE;

(r) “Guardian” means the guardian, if any, appointed for an Optionee;

(s) “Insider” shall have the meaning ascribed to such term in the Act;

(t) “Investor Relations Activities” means any activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

(i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation

(A) to promote the sale of products or services of the Corporation, or

(B) to raise public awareness of the Corporation, that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation,

(ii) activities or communications necessary to comply with the requirements of

(A) applicable securities laws,

(B) the rules and policies of the TSXVE, if the Shares are listed only on the TSXVE, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation,

(iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if

(A) the communication is only through the newspaper, magazine or publication and

(B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer, or

(iv) activities or communications that may be otherwise specified by the TSXVE, if the Shares are listed only on the TSXVE;

(u) "Option" means an option to purchase unissued Shares granted pursuant to the terms of this Plan;

(v) "Option Agreement" means a written agreement between the Corporation and an Optionee specifying the terms of the Option being granted to the Optionee under the Plan;

(w) "Option Price" means the exercise price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of Sections 6.3 and 10;

(x) "Optionee" means an Eligible Person to whom an Option has been granted;

(y) "Person" means a natural person, Corporation, government or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

(z) "Plan" means this 2016 Stock Option Plan of the Corporation;

(aa) "Qualified Successor" means a person who is entitled to ownership of an Option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death;

(bb) "Shares" means the common shares in the capital of the Corporation as constituted on the Date of Grant, adjusted from time to time in accordance with the provisions of Section 10;

(cc) "Shareholder Approval" means an ordinary resolution approved by a majority of the votes cast by members of the Corporation at a shareholders' meeting;

(dd) "Subsidiary Corporation" shall mean a Corporation which is a subsidiary of the Corporation;

(ee) "Term" means the period of time during which an Option may be exercised; and

(ff) "TSXVE" means the TSX Venture Exchange.

3. ADMINISTRATION

3.1 **Board or Committee** – The Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2.

3.2 **Appointment of Committee** – The Board may at any time appoint a Committee, consisting of not less than three of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. In the absence of the appointment of a Committee by the Board, the Board shall administer the Plan.

3.3 **Quorum and Voting** – A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Section 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. No member of the Committee who is a director to whom an Option may be granted may participate in the decision to grant such Option (but any such member 20 may be counted in determining the existence of a quorum at any meeting of the Committee in which action is to be taken with respect to the granting of an Option to him).

3.4 **Powers of Board and Committee** – The Board shall from time to time authorize and approve the grant by the Corporation of Options under this Plan, and any Committee appointed under Section 3.2 shall have the authority to review the following matters in relation to the Plan and to make recommendations thereon to the Board;

(a) administration of the Plan in accordance with its terms,

(b) determination of all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the value of the Shares,

(c) correction of any defect, supply of any information or reconciliation of any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan,

(d) prescription, amendment and rescission of the rules and regulations relating to the administration of the Plan;

(e) determination of the duration and purpose of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of the Plan,

(f) with respect to the granting of Options:

(i) determination of the employees, officers, directors or consultants to whom Options will be granted, based on the eligibility criteria set out in this Plan,

(ii) determination of the terms and provisions of the Option Agreement which shall be entered into with each Optionee (which need not be identical with the terms of any other Option Agreement) and which shall not be inconsistent with the terms of this Plan,

(iii) amendment of the terms and provisions of an Option Agreement, provided the Board obtains:

(A) the consent of the Optionee, and

(B) if required, the approval of any stock exchange on which the Shares are listed,

(iv) determination of when Options will be granted,

(v) determination of the number of Shares subject to each Option,

(vi) determination of the vesting schedule, if any, for the exercise of each Option, and

(g) other determinations necessary or advisable for administration of the Plan.

3.5 **Obtain Approvals** – The Board will seek to obtain any regulatory, Exchange or shareholder approvals which may be required pursuant to applicable securities laws or Exchange rules.

3.6 **Administration by Committee** – The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Committee's administration of the Plan shall in all respects be consistent with the Exchange policies and rules.

4. ELIGIBILITY

4.1 **Eligibility for Options** – Options may be granted to any Eligible Person.

4.2 **Insider Eligibility for Options** – Notwithstanding Section 4.1, if the Shares are listed only on the TSXVE, grants of Options to Insiders shall be subject to the policies of the TSXVE.

4.3 **No Violation of Securities Laws** – No Option shall be granted to any Optionee unless the Committee has determined that the grant of such Option and the exercise thereof by the Optionee will not violate the securities law of the jurisdiction in which the Optionee resides.

5. SHARES SUBJECT TO THE PLAN

5.1 **Number of Shares** – The maximum number of Shares issuable from time to time under the Plan is that number of Shares as is equal to 10% of the number of issued Shares at the Date of Grant of an Option. The maximum number of Shares issuable under the Plan shall be adjusted, where necessary, to take account of the events referred to in Section 10.

5.2 **Expiry of Option** – If an Option expires or terminates for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purposes of the Plan.

5.3 **Reservation of Shares** – The Corporation will at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

6. OPTION TERMS

6.1 **Option Agreement** – Each Option granted to an Optionee shall be confirmed by the execution and delivery of an Option Agreement and the Board shall specify the following terms in each such Option Agreement:

(a) the number of Shares subject to option pursuant to such Option, subject to the following limitations if the Shares are listed only on the TSXVE:

(i) the number of Shares reserved for issuance pursuant to Options to any one Optionee shall not exceed 5% of the issued Shares in any 12-month period (unless the Corporation is designated as a "Tier 1" listed Corporation by the TSXVE and has obtained Disinterested Shareholder Approval to exceed this number),

(ii) the number of Shares reserved for issuance pursuant to Options to any one Consultant shall not exceed 2% of the issued Shares in any 12-month period, and

(iii) the aggregate number of Shares reserved for issuance pursuant to Options to Employees and those individuals conducting Investor Relations Activities shall not exceed 2% of the issued Shares in any 12-month period;

(b) the Date of Grant;

(c) the Term, provided that, if the Shares are listed only on the TSXVE, the length of the Term shall in no event be greater than five years following the Date of Grant, except, if the Corporation is designated as "Tier 1" listed Corporation by the TSXVE, then the Term shall be no greater than ten years following the Date of Grant, for all Optionees;

(d) the Option Price, provided that the Option Price shall not be less than the Fair Market Value of the Shares on the Date of Grant;

(e) subject to Section 6.2 below, any vesting schedule upon which the exercise of an Option is contingent;

(f) if the Optionee is an Employee, Consultant or an individual providing Investor Relations Activities for the Corporation, a representation by the Corporation and the Optionee that the Optionee is a bona fide Employee, Consultant or an individual providing Investor Relations Activities for the Corporation, as the case may be, of the Corporation or a Subsidiary Corporation; and

(g) such other terms and conditions as the Board deems advisable and are consistent with the purposes of this Plan.

6.2 **Vesting Schedule** – The Board, as applicable, shall have complete discretion to set the terms of any vesting schedule of each Option granted, including, without limitation, discretion to:

(a) permit partial vesting in stated percentage amounts based on the Term of such Option; and

(b) permit full vesting after a stated period of time has passed from the Date of Grant.

6.3 **Amendments to Options** – Amendments to the terms of previously granted Options are subject to regulatory approval, if required. If required by the Exchange, Disinterested Shareholder Approval shall be required for any reduction in the Option Price of a previously granted Option if the Optionee is an Insider of the Corporation at the time of the proposed reduction in the Option Price.

6.4 **Uniformity** – Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted under the Plan be uniform.

7. EXERCISE OF OPTION

7.1 **Method of Exercise** – Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Section 6 hereof, an Optionee may exercise an Option by giving written notice thereof, specifying the number of Shares in respect of which the Option is exercised, to the Corporation at its principal place of business at any time after the Date of Grant until 4:00 p.m. (Toronto time) on the last day of the Term, such notice to be accompanied by full payment of the aggregate Option Price to the extent the Option is so exercised. Such payment shall be in lawful money (Canadian funds) by cash, cheque, bank draft or wire transfer. Payment by cheque made payable to the Corporation in the amount of the aggregate Option Price shall constitute payment of such Option Price unless the cheque is not honoured upon presentation, in which case the Option shall not have been validly exercised.

7.2 **Issuance of Certificates** – Not later than the third business day after exercise of an Option in accordance with Section 7.1, the Corporation shall issue and deliver to the Optionee a certificate or certificates evidencing the Shares with respect to which the Option has been exercised. Until the issuance of such certificate or certificates, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the certificate is issued, except as provided by Section 10 hereof.

7.3 **Compliance with U.S. Securities Laws** – As a condition to the exercise of an Option, the Board may require the Optionee to represent and warrant in writing at the time of such exercise that the Shares are being purchased only for investment and without any then-present intention to sell or distribute such Shares. At the option of the Board, a stop-transfer order against such Shares may be placed on the stock books and records of the Corporation and a legend, indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Board may also require such other documentation as may from time to time be necessary to comply with United States' federal and state securities laws. The Corporation has no obligation to undertake registration of Options or the Shares issuable upon the exercise of the Options.

8. TRANSFERABILITY OF OPTIONS

8.1 **Non-Transferable/Legending** – Except as permitted by applicable securities laws and the policies of the Exchange, and as provided otherwise in this Section 8, Options are non-assignable and nontransferable. If the Shares are listed only on the TSXVE, then, in addition to any resale restrictions under applicable securities laws, if the Corporation is, at the Date of Grant of an Option, designated as a "Tier 2" listed Corporation by the TSXVE or, if the Corporation is not so designated but the Option Price is based on a discount from the last closing price of the Shares on the TSXVE, the Option Agreement and the certificates representing the Shares issued on the exercise of such Option shall bear the TSXVE legend with a fourmonth hold period commencing on the Date of Grant.

8.2 **Death of Optionee** – Subject to Section 8.3, if the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Corporation or any Subsidiary Corporation, or the employment of an Optionee as an individual providing Investor Relations Activities, or the position of the Optionee as a director or senior officer of the Corporation or any Subsidiary Corporation, terminates as a result of such Optionee's death, any Options held by such Optionee shall pass to the Qualified Successor of the Optionee and shall be exercisable by such Qualified Successor until the earlier of a period of not more than one year following the date of such death and the expiry of the Term of the Option.

8.3 **Disability of Optionee** – If the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Corporation or any Subsidiary Corporation, or the employment of an Optionee as an individual providing Investor Relations Activities for the Corporation, or the position of the Optionee as a director or senior officer of the Corporation or any Subsidiary Corporation, is terminated by reason of such Optionee's Disability, any Options held by such Optionee that could have been exercised immediately prior to such termination of employment or service shall be exercisable by such Optionee, or by his Guardian, for a period of not more than one year following the date of such following the termination of employment or service of such Optionee. If such Optionee dies within that period of not more than one year, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor until the earlier of a period of not more than one year following the death of such Optionee and the expiry of the Term of the Option.

8.4 **Vesting** – Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 **Deemed Non-Interruption of Employment** – Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with the Corporation or any Subsidiary Corporation is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the ninety-first day of such leave.

9. TERMINATION OF OPTIONS

9.1 **Termination of Options** – To the extent not earlier exercised or terminated in accordance with Section 8, an Option shall terminate at the earliest of the following dates:

(a) the termination date specified for such Option in the Option Agreement;

(b) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of the Corporation or any Subsidiary Corporation, or an individual providing Investor Relations Activities for the Corporation, is terminated for cause, the date of such termination for cause;

(c) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of the Corporation or any Subsidiary Corporation or an individual providing Investor Relations Activities for the Corporation terminates for a reason other than the Optionee's Disability or death or for cause, not more than 90 days after such date of termination or, if the Shares are listed only on the TSXVE and if the Corporation is designated as a "Tier 2" listed Corporation by the TSXVE, then in the case of a person employed to provide Investor Relations Activities, not more than 30 days after such person ceases to be employed to provide Investor Relations Activities; PROVIDED that if an Optionee's position changes from one of the said categories to another category, such change shall not constitute termination or cessation for the purpose of this Subsection 9.1(c); and

(d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1.

9.2 **Lapsed Options** – If Options are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options. If an Option has been surrendered in connection with the regranting of a new Option to the same Optionee on different terms than the original Option granted to such Optionee, then, if required, the new Option is subject to approval of the Exchange.

9.3 **Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement** – If the Optionee retires, resigns or is terminated from employment or engagement with the Corporation or any Subsidiary Corporation, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not vested at that time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

10. ADJUSTMENTS TO OPTIONS

10.1 **Alteration in Capital Structure** – If there is any change in the Shares through or by means of a declaration of stock dividends of the Shares or consolidations, subdivisions or reclassifications of the Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option and the Option Price therefor shall be adjusted proportionately by the Board and, if required, approved by the Exchange, and such adjustment shall be effective and binding for all purposes of the Plan.

10.2 **Effect of Amalgamation, Merger or Arrangement** – If the Corporation amalgamates, merges or enters into a plan of arrangement with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, merger or arrangement if the Optionee had exercised the Option immediately prior to the record date applicable to such amalgamation, merger or arrangement, and the exercise price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan.

10.3 **Acceleration on Change in Control** – Upon a Change in Control, all Options shall become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject.

10.4 **Acceleration of Date of Exercise** – Subject to the approval of the Exchange, if required, the Board shall have the right to accelerate the date of vesting of any portion of any Option which remains unvested.

10.5 **Determinations to be Binding** – If any questions arise at any time with respect to the Option Price or exercise price or number of Option Shares or other property deliverable upon exercise of an Option following an event referred to in this Section 10, such questions shall be conclusively determined by the Board, whose decisions shall be final and binding.

10.6 **Effect of a Take-Over** – If a bona fide offer (the "Offer") for Shares is made to an Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer constitutes a take-over bid within the meaning of the Act, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be exercised in whole or in part, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject, by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "Optioned Shares") to the Offer. If:

(a) the Offer is not completed within the time specified therein; or

(b) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall refund to the Optionee any Option Price paid for such Optioned Shares.

11. APPROVAL, TERMINATION AND AMENDMENT OF PLAN

11.1 **Shareholder Approval** – This Plan, if the Shares are listed only on the TSXVE, is subject to Shareholder Approval on a yearly basis at the Corporation's next ensuing annual general meeting.

11.2 **Power of Board to Terminate or Amend Plan** – Subject to the approval of the Exchange, if required, the Board may terminate, suspend or discontinue the Plan at any time or amend or revise the terms of the Plan; provided, however, that, except as provided in Section 10, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, approval by the Corporation's shareholders at a meeting duly held in accordance with the applicable corporate laws:

(a) increase the maximum number of Shares which may be issued under the Plan;

(b) materially modify the requirements as to eligibility for participation in the Plan; or

(c) materially increase the benefits accruing to participants under the Plan;

however, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority, or as a result of changes in the policies of the Exchange relating to director, officer and employee stock options, without obtaining the approval of the Corporation's shareholders.

11.3 **No Grant During Suspension of Plan** – No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

12. CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

12.1 **Compliance with Laws** – Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, any applicable United States' state securities laws, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations thereunder and the requirements of any Exchange or automated interdealer quotation system of a registered national securities association upon which such Shares may then be listed or quoted, and such issuance shall be further subject to the approval of counsel for the Corporation with respect to such compliance, including the availability of an exemption from registration for the issuance and sale of such Shares. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any Shares under this Plan, shall relieve the Corporation of any liability with respect to the non-issuance or sale of such Shares other than with respect to a refund of any Option Price paid.

13. USE OF PROCEEDS

13.1 **Use of Proceeds** – Proceeds from the sale of Shares pursuant to the Options granted and exercised under the Plan shall constitute general funds of the Corporation and shall be used for general corporate purposes, or as the Board otherwise determines.

14. NOTICES

14.1 **Notices** – All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and shall be either delivered personally to the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such personal delivery; telecopied, in which case notice shall be deemed to have been duly given on the date the telecopy is sent; or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the tenth postal delivery day following the date of such mailing.

15. MISCELLANEOUS PROVISIONS

15.1 **No Obligations to Exercise** – Optionees shall be under no obligation to exercise Options granted under this Plan.

15.2 **No Obligation to Retain Optionee** – Nothing contained in this Plan shall obligate the Corporation or any Subsidiary Corporation to retain an Optionee as an employee, officer, director or consultant for any period, nor shall this Plan interfere in any way with the right of the Corporation or any Subsidiary Corporation to reduce such Optionee's compensation.

15.3 **Binding Agreement** – The provisions of this Plan and of each Option Agreement with an Optionee shall be binding upon such Optionee and the Qualified Successor or Guardian of such Optionee.

15.4 **Use of Terms** – Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

15.5 **Headings** – The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.

15.6 **No Representation or Warranty** – The Corporation makes no representation or warranty as to the future value of any Shares issued in accordance with the provisions of this Plan.

15.7 **Income Taxes** – The Company shall have the power and the right to deduct or withhold, or require an Optionee to remit to the Company, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any Option granted under the Plan. With respect to any required withholding, the Company shall have the irrevocable right to, and the Optionee consents to, the Company setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Company to the Optionee (whether arising pursuant to the Optionee's relationship as a director, officer, employee or consultant of the Company or otherwise), or may make such other arrangements that are satisfactory to the Optionee and the Company. In addition, the Company may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares issuable upon exercise of the Options as it determines are required to be sold by the Company, as trustee, to satisfy any withholding obligations net of selling costs. The Optionee consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Shares issuable upon exercise of the Options and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Shares issuable upon exercise of the Options.

15.8 **Compliance with Applicable Law** – If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange or over the counter market having authority over the Corporation or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

15.9 **Conflict** – In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

15.10 **Governing Law** – This Plan and each Option Agreement issued pursuant to this Plan shall be governed by the laws of the Province of Ontario.

15.11 **Time of Essence** – Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be, or to operate as, a waiver of the essentiality of time.

15.12 **Entire Agreement** – This Plan and the Option Agreement sets out the entire agreement between the Corporation and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

16. EFFECTIVE DATE OF PLAN

16.1 **Effective Date of Plan** – This Plan shall be effective on the later of the day of its approval by the shareholders of the Corporation given by way of ordinary resolution and the day of its acceptance for filing by the Exchange.

EXHIBIT C

PITCHBLACK RESOURCES LTD.
RESTRICTED SHARE UNIT PLAN

ARTICLE 1
GENERAL AND INTERPRETATION

1.1 Title

The Plan herein described shall be called the "Pitchblack Resources Ltd. Restricted Share Unit Plan" and is referred to herein as the "Plan".

1.2 Purpose

The purpose of this Plan is to advance the interests of the Company by (i) rewarding and providing Eligible Persons with additional incentive based on past performance and results; (ii) encouraging Share ownership by Eligible Persons; (iii) encouraging Eligible Persons to remain with the Company or its Affiliates; and (iv) attracting qualified individuals to the Company.

1.3 Administration

(a) This Plan will be administered by the Board of Directors of Pitchblack or a Committee duly appointed for this purpose by such Board of Directors. If a Committee is appointed for this purpose, all references to the term ''Board'' will be deemed to be references to the Committee.

(b) Subject to the limitations of this Plan, the Board has the authority: (i) to award Restricted Share Units to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such awards; (iii) to interpret this Plan and to adopt, amend or rescind such administrative guidelines and other rules relating to this Plan as it may from time to time deem advisable; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board's guidelines, rules, interpretations and determinations will be conclusive and binding upon all parties.

(c) The Plan shall be administered by the Board for the benefit of Participants.

1.4 Definitions

For the purposes of the Plan, the following terms will have the following meanings unless otherwise defined elsewhere in the Plan.

''**Affiliate**'' means any corporation that is an affiliate of Pitchblack as defined in the *Securities Act* (Ontario).

"**Award**" means an award of Restricted Share Units made to a Participant under the Plan. Awards shall be subject to the terms and conditions of the Plan and shall be evidenced by an Award Agreement with each Participant containing such additional terms and conditions as the Board shall deem desirable.

"**Award Agreement**" means any agreement entered into pursuant to the Plan by which an Award is made to a Participant.

"**Board**" means the Board of Directors of Pitchblack or a Committee appointed by the Board of Directors of Pitchblack in accordance with the Plan.

"**Change of Control**" means any of the following:

(i) a takeover bid (as defined in the *Securities Act* (Ontario)), which is successful in acquiring Common Shares,

(ii) the sale of all or substantially all the assets of Pitchblack,

(iii) the sale, exchange or other disposition of a majority of the outstanding Common Shares in a single transaction or series of related transactions,

(iv) the dissolution of Pitchblack's business or the liquidation of its assets,

(v) a merger, amalgamation or arrangement of Pitchblack in a transaction or series of transactions in which Pitchblack's shareholders receive less than 51% of the outstanding shares of the new or continuing corporation,

(vi) the acquisition, directly or indirectly, through one transaction or a series of transactions, by any person or entity, of an aggregate of more than 50% of the outstanding Common Shares, or

(vii) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving Pitchblack or any of its Affiliates and another corporation or other entity, the nominees named in the most recent management information circular of Pitchblack for election to Pitchblack's board of directors do not constitute a majority of Pitchblack's board of directors.

"**Common Shares**" means the common shares in the capital of Pitchblack, whether presently or hereafter issued, and any other shares or security resulting from adjustment thereof as described hereinafter, or the common shares of any successor to Pitchblack which is designated for the purpose of the Plan.

"**Company**" means Pitchblack Resources Ltd., any successor entity and any Affiliate which has by appropriate action adopted the Plan, except that reference in the Plan to any action to be taken, consent, approval or opinion to be given, discretion or decision to be exercised or made by the Company shall refer, unless the context indicates a contrary intention, only to Pitchblack acting by its Board of Directors or by any person or persons from time to time appointed, designated or authorized by the said Board of Directors.

"**Effective Award Date**" for an Award means the date of the particular Award Agreement unless otherwise specified by the Board.

"**Eligible Person**" means an individual who is an officer, director or employee of the Company and is in a position, in the opinion of the Board, to make contributions to the growth and success of the Company.

"**Fair Market Value**" on a particular date shall mean the weighted average price at which Common Shares trade on the Toronto Share Exchange during the five (5) trading days immediately prior to and including the last trading day before such particular date.

"**Participant**" means an individual who holds RSUs pursuant to the Plan.

"**Pitchblack**" means Pitchblack Resources Ltd.

"**Restricted Share Unit**" or "**RSU**" has the meaning ascribed thereto in Section 3.1.

"**RSU Account**" has the meaning ascribed thereto in Section 3.2.

"**Termination of Employment**" means the occurrence of any act or event whether pursuant to an employment agreement or otherwise that actually or effectively causes or results in the person ceasing, for whatever reason, to be an employee of the Company, including, without limitation, death, disability, dismissal, severance at the election of the Participant, retirement, or severance as a result of the discontinuance, liquidation, sale or transfer by the Company of all or part of the business owned or operated by the Company.

"**Termination Date**" of a Participant means the effective date of a Termination of Employment of the Participant.

"**Vesting Date**" shall have the meaning specified in Section 4.1 hereof.

In addition, certain other terms used herein and not defined above shall have the definitions given to them in the first place in which they are used in this Plan.

1.5 Construction and Interpretation

(a) In the Plan, references to the masculine include the feminine and reference to the singular shall include the plural and vice versa, as the context shall require.

(b) The Plan shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

(c) If any provision of the Plan or part thereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforceability of any other provision or part thereof.

(d) Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

ARTICLE 2
ELIGIBILITY

2.1 Eligibility

The Board may, from time to time, select Eligible Persons to receive Awards and shall determine the terms and conditions with respect thereto. In making any such determination, the Board may give consideration to the functions and responsibilities of the individual and to the individual's contributions to the Company, the value of the individual's services to the Company and such other factors deemed relevant by the Board.

ARTICLE 3
AWARDS AND RSU ACCOUNTS

3.1 Award of Restricted Share Units

The Board, in its sole and absolute discretion, shall have authority to make Awards as a bonus in the form of restricted Share units ("Restricted Share Units" or "RSU's") under the Plan at any time or from time to time to Eligible Persons. Subject to the Participant's satisfaction in full of any conditions, restrictions or limitations imposed in accordance with the Plan or an Award Agreement (the terms and provisions of which may differ from other Award Agreements), each RSU Award shall entitle the Participant to receive from the Company one Common Share.

3.2 RSU Accounts

The Company shall maintain an account, to be known as a "RSU Account", for each Participant to record all Awards and the vesting, settlement or forfeiture of RSUs.

3.3 RSU's From Treasury

All RSU's issued to Participants in accordance with the Plan shall be settled through the issuance of Common Shares from treasury by the Company.

ARTICLE 4
VESTING

4.1 Vesting

Unless otherwise provided for in any Award Agreement and subject to any other provisions of the Plan, RSUs shall vest in a Participant on the date set out in the relevant Award Agreement, which date shall be no later than the end of the third calendar year following the year in which the services of the Participant giving rise to the Award were rendered. The Board may, in its absolute discretion at any time, shorten the vesting period of all or any unvested RSUs of a Participant. The date upon which a RSU vests shall be the "Vesting Date" for the particular RSU. For certainty, vesting of RSU's may also be subject to performance criteria and conditions set forth in any Award Agreement.

4.2 Termination of Employment

Unless otherwise provided in an Award Agreement, the terms of this Plan or as otherwise determined by the Board in a particular case, RSUs shall vest or be forfeited as follows:

(a) Death - unvested RSUs awarded to a Participant shall be deemed to have vested immediately prior to the death of the Participant;

(b) Disability - A Participant who becomes entitled to receive long-term disability benefits under the terms of a long term disability plan sponsored by the Company, whether the Participant ceases to be an officer or employee or not, shall be entitled to remain a Participant under the Plan and vesting of RSUs shall continue in accordance with the Plan as if there had not been a disability or Termination of Employment; and

(c) Termination of Employment other than Due to Death or Disability - Where there is a Termination of Employment of a Participant for cause any unvested RSUs held by the Participant shall be forfeited unless the Board, in its absolute discretion, determines to permit vesting in the particular circumstances. Where there is a Termination of Employment of a Participant otherwise than for cause or where paragraph (a) or (b) applies, any unvested RSUs held by the Participant shall be deemed to have vested immediately prior to such Termination of Employment.

4.3 Forfeited RSUs

Subject to any other provisions of the Plan or any Award Agreement with a Participant, a Participant shall have no entitlement to receive any Common Shares or the cash equivalent in respect of any forfeited RSUs nor to any other compensation in lieu thereof.

4.4 No Entitlement as a Shareholder Prior to Distribution

A Participant shall derive no rights as a shareholder of Pitchblack under the Plan until such time as the Participant receives any Common Shares from the Company in accordance with the Plan. All dividends earned on Common Shares underlying RSUs prior to the vesting of such RSUs shall be paid to the Company.

4.5 Change of Control

If a Change of Control occurs all RSUs outstanding shall vest immediately prior to the date of such Change of Control notwithstanding the original Vesting Dates of such RSUs. Upon the public announcement of any proposed

Change of Control, the Board may, in its sole discretion, accelerate the vesting of RSUs in advance of the completion of such Change of Control.

ARTICLE 5
DISTRIBUTION OF COMMON SHARES

5.1 Vested RSUs

Unless otherwise provided for in any Award Agreement, upon the vesting of each RSU, a Participant shall be entitled to receive one (1) Common Share in exchange for each vested RSU held by the Participant. Subject to Section 5.2, Pitchblack shall distribute Common Shares as soon as possible, but no later than thirty (30) days after the applicable Vesting Date (or the date on which vesting was accelerated in accordance with the terms of the Plan).

5.2 Death

Within one hundred and eighty (180) days of the death of a Participant but in no case later than the Vesting Date which would have applied if the Participant had not died, the Company shall distribute to the legal personal representatives of the Participant one (1) Common Share from the Company for each vested RSU held by the Participant immediately before death.

ARTICLE 6
MISCELLANEOUS

6.1 Prohibition on Transfer of RSUs

RSUs are personal to each Participant. No assignment, transfer or pledge of RSUs or any other benefits under this Plan, shall be permitted or valid other than by a legal will, pursuant to a beneficiary designation, or the laws of succession, without the express written consent of Pitchblack.

6.2 Capital Adjustments

If there is any change in the outstanding Common Shares by reason of a Share dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental corporate change, the Board may make, subject to any prior approval required of relevant Share exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in the number or the designation of RSUs recorded in a Participant's RSU Account. In the event of the reorganization of Pitchblack or the amalgamation or consolidation of the Company with another corporation, the Board may make such provision for the protection of the rights of Participants as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

6.3 Non-Exclusivity

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of Participants, subject to any required regulatory or shareholder approval.

6.4 Amendment and Termination

(a) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation, and subject to any required regulatory or shareholder approval. No amendment, suspension or termination will adversely alter or impair any RSUs previously awarded under the Plan, or any rights pursuant thereto, made previously to a Participant without the consent of the relevant Participant.

(b) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations of the Plan adopted by the Board and in force at the time, will continue in effect as long as any RSUs under the Plan or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or the RSUs the Board would be entitled to make if the Plan were still in effect.

6.5 Tax Withholding

The Company shall have the right to deduct from all payments made under the Plan to or for the benefit of a Participant any foreign, federal, provincial or local taxes required by law to be withheld with respect to such payments. Notwithstanding any other provisions of the Plan, the Company shall be entitled to sell any Common Shares on behalf and for the account of a Participant to satisfy Pitchblack's withholding obligation with respect to the Participant.

6.6 Participant Rights

None of the establishment of this Plan, any modification thereof, the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Company, any officer, director or employee thereof, or the Board, except as herein provided. The adoption and maintenance of this Plan shall not be deemed to constitute a contract of employment or otherwise between the Company and any Participant, or to be consideration for, or an inducement or condition of, any employment or continuing employment. Nothing contained herein shall be deemed to give a Participant the right to be retained in the service of the Company or interfere with the Company's right to discharge, with or without cause, a Participant at any time without regard to the existence of the Plan.

6.7 Compliance with Legislation

The Company is not obligated by any provision of the Plan or any award hereunder to issue RSUs in violation of any applicable law.

6.8 Effective Date

The Plan shall be effective upon the receipt of approval of the shareholders of the Company.

PITCHBLACK RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended

December 31, 2016 and 2015

(expressed in Canadian dollars)

UHY McGovern Hurley LLP
Chartered Professional Accountants

251 Consumers Road, Suite 800
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M2J 4R3
Canada

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pitchblack Resources Ltd.

We have audited the accompanying consolidated financial statements of Pitchblack Resources Ltd. and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of operations and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' deficiency for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pitchblack Resources Ltd. and its subsidiary as at December 31, 2016 and 2015, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company had continuing losses during the year ended December 31, 2016 and a working capital deficiency as at December 31, 2016. These conditions along with other matters set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

TORONTO, Canada
April 28, 2017

PITCHBLACK RESOURCES LTD.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at

	Notes	December 31, 2016	December 31, 2015
ASSETS			
Current assets:			
Cash		**$ 46,595**	$ 10,553
Amounts receivable		**40,385**	15,791
Prepaid expenses		**675**	810
Investments	7	**691**	448
TOTAL ASSETS		**$ 88,346**	$ 27,602
LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)			
Current liabilities:			
Accounts payable and accrued liabilities	12	**$ 971,844**	$ 573,901
Shareholders' (Deficiency):			
Share capital	9	**69,464,770**	69,250,980
Share-based payments reserve	10	**50,305**	175,500
Deficit		**(70,398,573)**	(69,972,779)
Total shareholders' (deficiency)		**(883,498)**	(546,299)
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)		**$ 88,346**	$ 27,602

Nature of operations and going concern	1
Commitments and contingencies	13
Subsequent event	17

APPROVED ON BEHALF OF THE BOARD:

Signed “William Clarke” ,
Director

Signed “G. Scott Moore” ,
Director

The accompanying notes form an integral part of these consolidated financial statements.

PITCHBLACK RESOURCES LTD.

Consolidated Statements of Operations and Comprehensive Loss (Income)

(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2016	Year ended December 31, 2015
Expenses			
Consulting, professional and management fees	12	**$ 463,485**	$ 291,403
Office and general		**52,270**	56,700
Shareholder communications and filing fees		**61,168**	48,959
Travel and promotion		**5,162**	6,098
(Gain) on settlement of debt	9	**-**	(459,200)
Property maintenance expense		**29,147**	20,622
Share-based compensation	10	**50,305**	-
Recovery of accrued liabilities		**(60,000)**	-
Unrealized loss (gain) on investment	7	**(243)**	35,652
Net loss for the year		**601,294**	234
Other comprehensive (income)		**-**	(35,250)
Net loss (income) and comprehensive loss (income) for the year		**$ 601,294**	$ (35,016)
Basic and diluted loss (income) per share		**$ 0.11**	$ (0.01)
Weighted average number of common shares outstanding			
- Basic and diluted		**5,263,539**	3,715,001

The accompanying notes form an integral part of these consolidated financial statements.

PITCHBLACK RESOURCES LTD.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended December 31, 2016	2015
Cash (used in) provided by operating activities:		
Net (loss) for the year	**$ (601,294)**	$ (234)
Adjustment for non-cash items		
(Gain) on settlement of debt	**-**	(459,200)
Unrealized (gain) loss on investment	**(243)**	35,652
Share-based compensation	**50,305**	-
Net change in working capital	**373,484**	219,287
Net cash (used in) operating activities	**(177,748)**	(204,495)
Financing activities:		
Private placement	**213,790**	-
Net cash provided by financing activities	**213,790**	-
Change in cash	**36,042**	(204,495)
Cash, beginning of the year	**10,553**	215,048
Cash, end of the year	**$ 46,595**	$ 10,553
Supplemental information:		
Shares issued for debt settlement	$ -	$ 196,800

The accompanying notes form an integral part of these consolidated financial statements.

PITCHBLACK RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

	Number of shares	Share capital	Share-based payments reserve	Accumulated other comprehensive loss	Deficit	Total shareholders' deficiency
Balance, December 31, 2015	**4,624,061**	**$ 69,250,980**	**$ 175,500**	**$ -**	**$ (69,972,779)**	**$ (546,299)**
Private placement	1,783,000	213,790	-	-	-	213,790
Reallocate value of expired options and warrants	-	-	(175,500)	-	175,500	-
Share-based compensation	-	-	50,305	-	-	50,305
(Loss) for the year	-	-	-	-	(601,294)	(601,294)
Balance, December 31, 2016	**6,407,061**	**$ 69,464,770**	**$ 50,305**	**$ -**	**$ (70,398,573)**	**$ (883,498)**
Balance, December 31, 2014	**3,312,415**	**$ 69,054,180**	**$ 786,600**	**$ (35,250)**	**$ (70,583,645)**	**$ (778,115)**
Reallocate value of expired options and warrants	-	-	(611,100)	-	611,100	-
Share issued for debt	1,312,000	196,800	-	-	-	196,800
Adjustment	(354)	-	-	-	-	-
Other comprehensive (loss)	-	-	-	(375)	-	(375)
Impairment of available for sale investment	-	-	-	35,625		35,625
(Loss) for the year	-	-	-	-	(234)	(234)
Balance, December 31, 2015	**4,624,061**	**$ 69,250,980**	**$ 175,500**	**$ -**	**$ (69,972,779)**	**$ (546,299)**

The accompanying notes form an integral part of these consolidated financial statements

1. Nature of operations and going concern

Pitchblack Resources Ltd. ("Pitchblack" or the "Company") is incorporated under the laws of Ontario, Canada. The Company is primarily engaged in the acquisition, exploration and evaluation of properties located in Canada. There has been no determination whether the Company's interests in exploration and evaluation properties contain mineral reserves. The registered head office of the Company is located at 65 Queen Street West, Suite 815, Toronto, Ontario, Canada, M5H 2M5.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values of the Company's assets. The Company's assets may also be subject to political uncertainty, increases in taxes and royalties, renegotiation of contracts and currency exchange fluctuations and restrictions.

The consolidated financial statements of the Company for the year ended December 31, 2016 were reviewed, approved and authorized for issue by the Board of Directors on April 28, 2017.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, First Nations claims, social licensing requirements, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

The Company has a need for equity capital and financing for working capital and exploration and evaluation of its properties. Because of continuing operating losses and a working capital deficiency at December 31, 2016, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations in the longer term. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. Basis of preparation

These consolidated financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out in Note 3 were consistently applied to all the periods presented unless otherwise noted below.

These consolidated financial statements have been prepared on a historical cost basis except for held for trading and available-for-sale investments that are reflected at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Significant accounting policies

Presentation currency
The Company's functional and presentation currency is the Canadian dollar ("$").

Foreign currency translation
In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in operations in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3. Significant accounting policies (Continued)

Foreign exchange gains and losses are presented in the consolidated statement of operations.

Interest revenue
Interest revenue is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Share-based payments
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options that expire after vesting, the recorded value is transferred to deficit.

Finance expense
Finance expense comprises interest expense on borrowings calculated using the effective interest rate method.

Income taxes
Current income tax
Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of operations because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax
Deferred income tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. Significant accounting policies (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Mineral exploration, evaluation and development expenditures
Exploration and evaluation properties
Once a licence to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation properties. Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within mine properties, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

The costs of removing overburden to access ore are capitalized as stripping costs and classified as a component of mine properties, plant and equipment.

Impairment of non-financial assets
The carrying values of capitalised exploration and evaluation properties and equipment are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other Company's of assets. This generally results in the Company evaluating its non-financial assets on a geographical basis.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the consolidated statement of operations so as to reduce the carrying amount to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of operations.

Financial assets
Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus directly attributable transaction costs, except in the case of investments held at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, (i.e., the date that the Company commits to purchase or sell the asset).

3. Significant accounting policies (Continued)

The Company's financial assets include cash and investments.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income and finance costs in the consolidated statement of operations.

Available-for-sale assets are those financial assets that are not classified as held-for-trading, held-to-maturity or loans or receivables, and are carried at fair value. Any gains or losses arising from the change in fair value are recorded as other comprehensive income. Available-for-sale investments are written down to fair value through operations whenever it is necessary to reflect other than temporary impairment. Cumulative gains and losses arising upon the sale of the instrument are included in operations. Investments are designated as either held-for-trading or available-for-sale based on management intentions with the investment. Regular way purchases and sales of financial assets are accounted for at the trade date.

Derecognition
A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  (a) the Company has transferred substantially all the risks and rewards of the asset; or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of operations. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the consolidated statement of operations. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of operations.

3. Significant accounting policies (Continued)

<u>Financial liabilities</u>
Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include accounts payable and accrued liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of operations. The Company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings
After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in the consolidated statement of operations when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the statement of comprehensive income. The Company has classified its accounts payable and accrued liabilities as loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged, is cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of operations.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

3. Significant accounting policies (Continued)

Cash
Cash in the statement of financial position comprise cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash consists of cash as defined above, net of outstanding bank overdrafts.

Provisions
General
Provisions are recognised when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of operations, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Rehabilitation provision
The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated statement of operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognised immediately in the consolidated statement of operations.

Income (Loss) per share
Income (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

Flow-through shares
Flow-through shares are a unique Canadian tax incentive. They are the subject of specific guidance under US GAAP, but there is no equivalent IFRS guidance. Therefore, the Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted market price of the common shares and the amount the investor pays for the flow-through shares. Initially, a liability is recognized for the premium paid by the investors and is then recognized as a deferred income tax liability in the period of renunciation. If the Company has sufficient unrealized tax losses and deductions, deferred tax assets are applied against the deferred income tax liability and recognized in the consolidated statement of operations.

4. New and future accounting policies

During the year ended December 31, 2016, the Company adopted an amendment to IAS 1. This amendment did not have any material impact on the Company’s consolidated financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded in these consolidated financial statements. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

4. New and future accounting policies (Continued)

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

5. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiary Signet Minerals Inc.

Subsidiaries
Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

6. Critical judgments and estimation uncertainties

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

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

- Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

(Expressed in Canadian Dollars)

6. Critical judgments and estimation uncertainties (Continued)

- Estimation of decommissioning and restoration costs and the timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingencies

Refer to Note 13.

7. Investments

The Company's investments include shares in the following securities:

	Classification	December 31, 2016 No. held	December 31, 2016 Value	December 31, 2015 No. held	December 31, 2015 Value
Klondike Gold Corp.	Held-for-trading	667	$ 110	667	$ 73
Inform Resources Corp.	Available for sale	3,750	581	37,500	375
			$ 691		**$ 448**

Investments are designated between held-for-trading or available-for-sale based on management intentions with the investment.

The Company has an investment in Klondike Gold Corp. ("Klondike"). These shares are designated as "held for trading". At December 31, 2016, the quoted market value of these shares was $0.165 per share, or $110. The Company also owns common shares of Inform Resources Corp. ("Inform"), which are classified as available for sale. At December 31, 2016, the quoted market value for these shares was $0.155 per share, or $581. Consequently, an unrealized gain of $243 was recorded for the year ended December 31, 2016. At December 31, 2015, the Company considered the investment to be impaired and consequently, $35,625 was reallocated from other comprehensive income to the statement of operations. See also Note 11.

(Expressed in Canadian Dollars)

8. Exploration and evaluation properties

Igor Property, Yukon, Canada

As at December 31, 2015 and December 31, 2016 the Company held a 50% interest in the Igor Property.

The Company has terminated the option with Mega Uranium Ltd. to earn an additional 25% in the Igor Property. The Company will maintain its 50% interest and will continue to be the operator on the property. The Company has written down the full amount of the carrying value of the property as it has not done any exploration work on the property in the last five years and does not intend on doing additional work on the property for the foreseeable future.

The Company has allowed certain claims to lapse and will continue to allow certain claims which make up the Igor property.

Division Mountain Coal Property, Yukon, Canada

The Company owns the rights to various coal exploration licences and coal leases located in the Whitehorse Mining District and certain coal exploration licences located in the Watson Lake Mining District, Yukon.

The Company has written down the full amount of the carrying value of the property as it has not done any exploration work on the property in the last four years and does not intend on doing additional work on the property for the foreseeable future.

Mike Lake Property, Yukon, Canada

The Mike Lake Property was acquired by the Company on May 5, 2009. The Mike Lake Property consists of mining claims in the Tintina Gold Belt, Yukon.

The Company has impaired the full amount of the carrying value of the property as it has not done any exploration work on the property in the last four years and does not intend on doing additional work on the property for the foreseeable future.

9. Share capital

As at December 31, 2016 and December 31, 2015 the Company's authorized capital consisted of an unlimited number of common shares.

Common shares	Number of Shares	Amount
Balance, December 31, 2014	**3,312,415**	**$ 69,054,180**
Share issued for debt (i)	1,312,000	196,800
Adjustment to reflect consolidation	(354)	-
Balance, December 31, 2015	**4,624,061**	**$ 69,250,980**
Private placement (ii)	600,000	60,000
Private placement (iii)	1,183,000	153,790
Balance, December 31, 2016	**6,407,061**	**$ 69,464,770**

(i) On August 28, 2015, the Company entered into a shares for debt agreement with Forbes & Manhattan, Inc. ("Forbes") and 2227929 Ontario Inc. ("2227929") wherein $656,000 worth of debt was settled through the issuance of 1,312,000 shares. The shares issued had an estimated fair market value of $196,800 on the date of issuance. As a result, a gain of $459,200 was recorded on the settlement of debt during the year ended December 31, 2015.

(ii) On June 28, 2016, the Company closed a non-brokered private placement financing of 600,000 common shares of the Company at a price of $0.10 for gross proceeds of $60,000.

(iii) On September 20, 2016, the Company closed a non-brokered private placement financing of 1,183,000 common shares of the Company at a price of $0.13 for gross proceeds of $153,790.

(Expressed in Canadian Dollars)

10. Share-based payments reserve

The Company has a stock-option plan whereby the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the plan will be for a term not to exceed five years.

	No. of options	Weighted average exercise price	Value of options	No. of warrants	Weighted average exercise price	Value of warrants	Total value
December 31, 2014	**195,000**	**$ 3.20**	**$ 532,500**	1,100,000	**$ 2.00**	**$ 254,100**	**$ 786,600**
Expired	(105,000)	4.00	(357,000)	(1,100,000)	2.00	(254,100)	(611,100)
December 31, 2015	**90,000**	**$ 2.32**	**$ 175,500**	-	**$ -**	**$ -**	**$ 175,500**
Granted	600,000	0.10	50,305	-	-	-	50,305
Expired	(90,000)	2.32	(175,500)	-	-	-	(175,500)
December 31, 2016	**600,000**	**$ 0.10**	**$ 50,305**	-	**$ -**	**$ -**	**$ 50,305**

As at December 31, 2016, outstanding options to acquire common shares of the Company were as follows:

Number of options outstanding	Number of options exercisable	Grant date	Expiration date	Exercise price	Grant date				
					Estimated fair value vested	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
600,000	600,000	7-Nov-16	7-Nov-21	$ 0.10	$ 50,305	124%	5.00	0.00%	0.71%
600,000	**600,000**			**$ 0.10**	**$ 50,305**		**-**		

The weighted average remaining contractual life of outstanding options as at December 31, 2016 is 4.85 years (2015 – 0.62 years). All options and warrants were excluded from the computation of diluted income (loss) per share for the periods presented because their effect would be anti-dilutive.

11. Accumulated other comprehensive loss

Items that will be reclassified subsequently to the statement of operations:

December 31, 2014	**$ (35,250)**
Adjustment to "available for sale" investment for changes in fair market value	(375)
Impairment of available for sale of investment	35,625
December 31, 2015	**$ -**
Adjustment to "available for sale" investment for changes in fair market value	(206)
Impairment of available for sale of investment	206
December 31, 2016	**$ -**

(Expressed in Canadian Dollars)

12. Related party disclosures

During the years ended December 31, 2016 and 2015, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Purchases of services	
	Year ended December 31,	
	2016	2015
Forbes & Manhattan, Inc	$ 120,000	$ 120,000

	Amounts owed to related parties	
	December 31, 2016	December 31, 2015
Forbes & Manhattan, Inc	$ 324,800	$ 189,200
Apogee Opportunities Inc	7,218	7,218
Directors and officers	$ 313,059	$ 5,085

The Company shares its office space with other companies who may have similar officers or directors. The costs associated with this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc, to whom the Company pays a monthly fee. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

Forbes & Manhattan, Inc. owns approximately 10% of the outstanding common shares of the corporation. Mr. Stan Bharti is the Executive Chairman of Forbes & Manhattan, Inc. Mr. Bharti was a director of the Company until June 10, 2011.

Greg Duras, an officer of the Company, is a former officer of Apogee Opportunities Inc.

The remuneration of directors and other members of key management personnel during the years ended December 31, 2016 and 2015 were as follows:

Compensation of key management personnel of the Company

	Year ended	
	December 31, 2016	December 31, 2015
Short-term benefits	$ 303,750	$ 77,250
Share-based payments	41,921	-
	$ 345,671	**$ 77,250**

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

See Note 9 (i) and Note 17.

13. Commitments and contingencies

The Company is party to certain management contracts. These contracts require that payments of up to approximately $1,260,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under these contracts approximate $420,000 due within one year.

The Company's exploration and evaluation activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian Dollars)

14. Income taxes

a) Provision for Income Taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of 26.5% (2015 – 26.5%) were as follows:

	2016	2015
(Loss) before income taxes	$ (601,294)	$ (234)
Expected income tax recovery based on statutory rate	(159,000)	-
Adjustment to expected income tax benefit:		
Stock Based Compensation	13,000	-
Other	(225,000)	174,000
Change in Benefit of tax assets not recognized	371,000	(174,000)
Deferred income tax provision (recovery)	**$ -**	**$ -**

b) Deductible Temporary Differences

Deferred tax assets have not been recognized in respect of the following items:

	2016	2015
Non-capital loss carry-forwards	$ 8,314,000	$ 7,347,000
Interest in exploration and evaulation properties	20,029,000	19,597,000
Other temporary differences	504,000	504,000
	$ 28,847,000	**$ 27,448,000**

The tax losses expire from 2026 to 2036. The other temporary differences do not expire under current legislation.

The Company has approximately $8,313,000 of non-capital losses in Canada which under certain circumstances can be used to reduce the taxable income of future years. These losses expire in the following periods:

Year	Amount
2026	$ 705,000
2027	180,000
2028	755,000
2029	726,000
2030	849,000
2031	36,000
2033	2,822,000
2034	1,294,000
2035	424,000
2036	522,000
	$ 8,313,000

15. Financial instruments

Financial assets and financial liabilities as at December 31, 2016 and December 31, 2015 were as follows:

December 31, 2016	Cash	Loans and other financial liabilities	Held-for-trading	Available-for-sale	TOTAL
Cash	$ 46,595	$ -	$ -	$ -	$ 46,595
Investments	-	-	110	581	691
Accounts payable and accrued liabilities	-	(971,844)	-	-	(971,844)
December 31, 2015	**Cash**	**Loans and other financial liabilities**	**Held-for-trading**	**Available-for-sale**	**TOTAL**
Cash	$ 10,553	$ -	$ -	$ -	$ 10,553
Investments	-	-	73	375	448
Accounts payable and accrued liabilities	-	(573,901)	-	-	(573,901)

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the years ended December 31, 2016 and 2015.

The carrying values of cash and accounts payable and accrued liabilities reflected on the consolidated statements of financial position approximate fair value due to the limited terms of these instruments.

Credit risk
The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had a cash balance of $46,595 (December 31, 2015 - $10,553) to settle current liabilities of $971,844 (December 31, 2015 - $573,901). The Company's financial liabilities generally have contractual maturities of less than 30 days.

(a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments. The Company is also exposed to price risk with respect to its investments.

15. Financial instruments (Continued)

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the year.

- The Company does not hold interest bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.
- The Company does not hold significant cash balances in foreign currencies to give rise to foreign exchange risk.

(d) Fair value

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the balance sheet. These have been prioritized into three levels:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within 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.
Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

At December 31, 2016 and 2015, the Company's financial instruments that are carried at fair value, consist of investments that have been classified as Level 1 within the fair value hierarchy.

16. Capital management

The Company manages and adjusts its capital structure based on available funds in order to support its operations and the acquisition, exploration and evaluation of mineral properties. The capital of the Company consists of share capital, warrants and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2016, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

17. Subsequent events

Subsequent to year end, the Company entered into shares for debt agreements with certain directors and officers of the Company and an unrelated company that administers the costs of the office space that the Company shares with other potentially related companies wherein $251,459 worth of debt was settled through the issuance of 2,793,990 shares.

Subsequent to December 31, 2016, 150,000 common stock options were exercised for cash proceeds of $15,000.

Subsequent to December 31, 2016, the Company issued 375,000 common stock options to certain officers, directors and consultants with an exercise price of $0.30 and an expiry date of April 20, 2022. All options have an immediate vesting term.

PITCHBLACK RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and twelve months ended December 31, 2016

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition and results of operations as at and for the three and twelve months ended December 31, 2016 and 2015. This MD&A is intended to be read in conjunction with the consolidated financial statements and notes thereto ("Statements") of Pitchblack Resources Ltd. ("Pitchblack" or the "Company") as at and for the years ended December 31, 2016 and 2015.

References to the first, second, third and fourth quarters of 2016 refer to the three, six, nine and twelve months ended March 31, June 30, September 30 and December 31, 2016. References to the first, second, third and fourth quarters of 2015 refer to the three, six, nine and twelve months ended March 31, June 30, September 30 and December 31, 2015.

All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This MD&A reports the Company's activities through April 28, 2017 unless otherwise indicated. The Company's public filings can be reviewed on the SEDAR website, under the Company's profile at www.sedar.com.

All financial statements discussed in this MD&A have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern and do not reflect the adjustments to the carrying value of assets and liabilities, reported revenue and expenses, and the statement of financial position classifications that would be necessary if the going concern assumption was no longer appropriate. These adjustments could be material.

The Audit Committee of the Company has reviewed this MD&A and the consolidated financial statements for the years ended December 31, 2016 and 2015, and Pitchblack's Board of Directors has approved these documents prior to their release.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy; the Company's ability to raise required funds; litigation expenses and possible liabilities; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology 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". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of development and exploration activities are based on previous industry experience and advice from experts and recent research. Capital and operating cost estimates are based on research of the Company and advice from experts. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; litigation and other commercial disputes; regulatory risks; government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

COMPANY OUTLOOK

The Company continues its strategic review of all of its mineral properties in order to maximize shareholder value. The Company is continuing the process of attempting to vend or joint venture some or all of its properties. In parallel, The Company is reviewing acquisition opportunities to identify and asset (or assets) that could serve as the Company's flagship assets in the coming years.

PROJECT ACTIVITIES

URANIUM

Igor Property ("Igor")

As at December 31, 2016 and December 31, 2015 the Company held a 50% interest in the Igor Property.

The Company has terminated the option with Mega Uranium Ltd. to earn an additional 25% in the Igor Property. The Company is the operator on the property. The Company has written down the full amount of the carrying value of the property as it has not done any exploration work on the property in the last five years and does not intend to do additional work on the property for the foreseeable future.

The Company has allowed certain claims that make up the Igor property to lapse and will continue to allow certain claims to lapse as they expire.

COAL

Division Mountain

The Company's Division Mountain coal project is located 90 kilometres northwest of Whitehorse, Yukon Territory. The property is 100% owned by the Company and is comprised of 15 territorial coal exploration licences covering approximately 3,000 square kilometres.

The Company impaired the full amount of the carrying value of the property in the year ended December 31, 2012 as it had not done any exploration work on the property in the previous four years and does not intend on doing additional work on the property for the foreseeable future. The Company is seeking expressions of interest for the potential joint venture or acquisition of the property.

GOLD

Mike Lake

The Mike Lake property consists of 319 mining claims covering an area of approximately 68 square kilometres located in the Tintina Gold Belt, Yukon Territory, which is primarily prospective for gold.

The Company is assessing its strategic options for the property going forward. The Company believes there are a number of prospective joint venture partners or acquirers for the property.

(in Canadian dollars unless otherwise noted)

SUMMARIZED FINANCIAL RESULTS

Selected Annual Financial Information

	December 31, 2016	December 31, 2015	December 31, 2014
Revenue	$ -	$ -	$ -
Cash flow (used in) operating activities	(177,748)	(204,495)	(286,540)
Net loss	601,294	234	680,594
Net loss (income) and comprehensive loss (income) for the year	601,294	(35,016)	682,844
Basic and diluted loss (income) per share	0.11	(0.01)	0.21
Total Assets	88,346	27,602	234,074
Working Capital	(883,498)	(546,299)	(778,115)

Selected Quarterly Financial Information

The quarterly results are as follows:

	2016 Q4	2016 Q3	2016 Q2	2016 Q1
Statement of Loss:				
Income/(Loss)	$ (241,423)	$ (185,532)	$ (72,232)	$ (102,107)
Income/(Loss) per share	(0.04)	(0.03)	(0.02)	(0.03)
Statement of Financial Position:				
Working capital [1)]	(883,498)	(692,381)	(660,639)	(648,406)
Total assets	$ 88,346	$ 145,256	$ 13,164	$ 26,968
	2015 Q4	**2015 Q3**	**2015 Q2**	**2015 Q1**
Statement of Loss:				
Income/(Loss)	$ 322,700	$ (112,772)	$ (86,980)	$ (123,182)
Income/(Loss) per share	0.09	(0.03)	(0.02)	(0.04)
Statement of Financial Position:				
Working capital [1)]	(546,299)	(445,424)	(988,277)	(901,297)
Total assets	$ 27,602	$ 50,734	$ 88,218	$ 150,943

[1)] See Non-GAAP measures

The general trend of decreasing total assets during 2016 and 2015 resulted from impairment losses on the Company's investments and cash used by operating activities. In all the periods shown above, the Company did not generate any revenues and the net incomes (losses) resulted primarily from corporate overheads, gain on settlement of debt, stock based compensation expense, the write off, and loss from disposal of assets.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any operating assets that generate revenues. The Company incurred a net loss of $241,423 and $601,294 respectively for the three and twelve months ended December 31, 2016 (three and twelve months ended December 31, 2015: net income of $322,700 and a net loss of $234 respectively).

The Company (used) generated cash in the amount of ($61,925) and $36,042 respectively during the three and twelve months ended December 31, 2016 (three and twelve months ended December 31, 2015: cash outflow of ($23,607) and ($204,495) respectively).

The Company has a need for equity capital and financing for working capital and exploration and evaluation of its properties. Because of continuing operating losses and a working capital deficiency at December 31, 2016, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations in the longer term. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

(in Canadian dollars unless otherwise noted)

Working Capital

As at December 31, 2016, the Company had a working capital deficiency (see note NON-GAAP MEASURES) of $883,498 compared a working capital deficiency of $546,299 at December 31, 2015. The Company is reviewing various strategic alternatives in order to rectify its negative working capital position.

CASH FLOWS

Cash Flows for the three months ended December 31, 2016 and 2015

	For the three months ended December 31,	
	2016	2015
Cash used in operating activities	$ (61,925)	$ (23,607)
(Decrease) in cash	$ (61,925)	$ (23,607)

Cash Flows for the twelve months ended December 31, 2016 and 2015

	For the twelve months ended December 31,	
	2016	2015
Cash used in operating activities	$ (177,748)	$ (204,495)
Cash provided by financing activities	213,790	-
Increase (decrease) in cash	$ 36,042	$ (204,495)

Cash of $177,748 used in operating activities during the twelve months ended December 31, 2015 compared to $204,495 cash used during the twelve months ended December 31, 2015. During the twelve months ended December 31, 2016, the Company paid lower fees and expenses in relation to consulting, professional and management, office and general, and travel and promotion than in the same period in 2015.

On June 28, 2016, the Company closed a non-brokered private placement financing of 600,000 common shares of the Company at a price of $0.10 for gross proceeds of $60,000.

On September 20, 2016, the Company closed a non-brokered private placement financing of 1,183,000 common shares of the Company at a price of $0.13 for gross proceeds of $153,790

(in Canadian dollars unless otherwise noted)

RESULTS OF OPERATIONS

For the three and twelve months ended December 31, 2016 and 2015

	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
Expenses				
Consulting, professional and management fees	$ 108,504	$ 59,536	$ 463,485	$ 291,403
Office and general	44,697	6,042	52,270	56,700
Shareholder communications and filing fees	31,673	18,129	61,168	48,959
Travel and promotion	5,162	-	5,162	6,098
(Gain) on settlement of debt	-	(459,200)	-	(459,200)
Property maintenance expense	750	17,148	29,147	20,622
Share-based compensation	50,305	-	50,305	-
Write off accrued liabilities	-	-	(60,000)	-
Unrealized loss (gain) on investment	332	35,645	(243)	35,652
Net loss (income) for the period	$ 241,423	$ (322,700)	$ 601,294	$ 234

During the three months ended December 31, 2016, the Company recorded a net loss of $241,423 compared to an income of $322,700 during the same period of 2015. The net loss during the three months ended December 31, 2016 resulted primarily from consulting, professional and management fees, office and general and shareholder communications and filing fees and share based compensation expense. The gain during the fourth quarter of 2015 resulted primarily from recognition of the debt settlement gain in the amount 459,200.

During the twelve months ended December 31, 2016, the Company recorded a net loss of $601,294 compared to a net loss of $234 during the same period of 2015. The net loss during the twelve months ended December 31, 2016 resulted primarily from consulting, management and professional fees, office and general and shareholder communications and filing fees and share based compensation offset by gain from write off of certain accruals.

The net loss during the twelve months ended December 31, 2015 resulted primarily from consulting, management and professional fees, office and general and shareholder communications and filing fees and unrealized loss and impairment on investment offset by gain on settlement of debt.

NEW AND FUTURE ACCOUNTING POLICIES

During the year ended December 31, 2016, the Company adopted an amendment to IAS 1. This amendment did not have any material impact of the Company's consolidated financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(in Canadian dollars unless otherwise noted)

RELATED PARTY DISCLOSURES

During the years ended December 31, 2016 and 2015, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Purchases of services			
	Year ended December 31,			
	2016		2015	
Forbes & Manhattan, Inc	$	120,000	$	120,000

	Amounts owed to related parties			
	December 31, 2016		December 31, 2015	
Forbes & Manhattan, Inc	$	324,800	$	189,200
Apogee Opportunities Inc		7,218		7,218
Directors and officers	$	313,059	$	5,085

The Company shares its office space with other companies who may have similar officers or directors. The costs associated with this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc, to whom the Company pays a monthly fee. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

Forbes & Manhattan, Inc. owns approximately 10% of the outstanding common shares of the corporation. Mr. Stan Bharti is the Executive Chairman of Forbes & Manhattan, Inc. Mr. Bharti was a director of the Company until June 10, 2011.

Greg Duras, an officer of the Company, is a former officer of Apogee Opportunities Inc.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel during the years ended December 31, 2016 and 2015 were as follows:

	Year ended			
	December 31, 2016		December 31, 2015	
Short-term benefits	$	303,750	$	77,250
Share-based payments		41,921		-
	$	**345,671**	**$**	**77,250**

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(in Canadian dollars unless otherwise noted)

COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts require that payments of up to approximately $1,260,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under these contracts approximate $420,000 due within one year.

The Company's exploration and evaluation activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

OUTSTANDING SHARE DATA

As at April 28, 2017, 9,351,051 common shares of the Company were outstanding. Of the options to purchase common shares issued to service providers under the share option plan of the Company, 825,000 remained outstanding with exercise prices ranging from $0.10 to $0.30, and expiry dates ranging between November 7, 2021 and April 20, 2022. If exercised, 825,000 common shares of the Company would be issued, generating proceeds of $157,500.

NON-GAAP MEASURES

The MD&A contains the term working capital. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Current assets	December 31, 2016	December 31, 2015
Cash	$ 46,595	$ 10,553
Amounts receivable	40,385	15,791
Prepaid expenses	675	810
Investments	691	448
Total current assets	88,346	27,602
Current liabilities		
Accounts payable and accrued liabilities	971,844	573,901
Total liabilities	971,844	573,901
Working capital (current assets less current liabilities)	$ (883,498)	$ (546,299)

	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
Cash (used in) operating activities before change in working capital items	$ (190,785)	$ (100,855)	$ (551,232)	(423,782)
Cash provided by (used in) change in working capital items	128,860	77,248	373,484	219,287
Net cash provided by (used in) operating activities	$ (61,925)	$ (23,607)	$ (177,748)	$ (204,495)

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Liquidity Concerns and Future Financings

To remain solvent, the Company will require additional funds. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations cost were greater than projected price of production. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Mineral Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Foreign Exchange

The Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the US dollar. As the Company supports its operation through financing in Canadian dollars, a decline in the US dollar would result in a decrease in the real value of the Company's future revenues and adversely affect its financial performance.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, and actual events could have a material adverse effect on the Company's mineral reserve estimates.

Licences and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation infrastructures, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Environmental

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave- ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increased costs of projects.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that further fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital, warrants and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2016 or 2015. The Company is not subject to externally imposed capital requirements.

FINANCIAL RISK FACTORS

There have been no changes in the risks, objectives, policies and procedures from the previous period. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
The Company's credit risk is primarily attributable to amounts receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in amounts receivable consist primarily of harmonized sales tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk
The Company's target approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had a cash balance of $46,595 (December 31, 2015 - $10,553) to settle current liabilities of $971,844 (December 31, 2015 - $573,901). The Company's financial liabilities generally have contractual maturities of less than 30 days.

Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Market risk
(a) Interest rate risk
The Company had cash balances at December 31, 2016. The Company's current policy is to invest excess cash in investment-grade term deposit certificates issued by credible banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company considers interest rate risk to be minimal as investments are short term, the Company does not carry interest-bearing debt, and future financing will be primarily secured from private placements.

(b) Price risk
The Company will be exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices of these commodities. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and

demand for ore, the level of interest rates, the rate of inflation, investment decisions by large holders of ore and stability of exchange rates can all cause significant fluctuations in prices, such external economic factors may in turn be influenced by changes in international investment patterns and monetary systems and political developments. The Company is also exposed to price risk with respect to its investments.

Fair value hierarchy and liquidity risk disclosure
At December 31, 2016 and 2015, the Company's financial instruments that are carried at fair value, consist of investments which have been classified as Level 1 within the fair value hierarchy.

Sensitivity analysis
The Company has designated its cash and cash equivalents as held-for-trading, measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Temporary investments are classified as held-for-trading and measured at their quoted market value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As at December 31, 2016, the carrying and fair value amounts of the Company's financial instruments are the same.

The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

Price risk is remote as the Company is not a producing entity.

CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTIES

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

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

- Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

- Estimation of decommissioning and restoration costs and the timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingencies

Refer to Note 13 Commitments and contingencies of the consolidated financial statements and notes of the Company as at and for the years ended December 31, 2016 and 2015.

SUBSEQUENT EVENTS

Subsequent to year end, the Company entered into shares for debt agreements with certain directors and officers of the Company and an unrelated company that administers the costs of the office space that the Company shares with other potentially related companies wherein $251,459 worth of debt was settled through the issuance of 2,793,990 shares.

Subsequent to December 31, 2016, 150,000 common stock options were exercised for cash proceeds of $15,000.

Subsequent to December 31, 2016, the Company issued 375,000 common stock options to certain officers, directors and consultants with an exercise price of $0.30 and an expiry date of April 20, 2022. All options have an immediate vesting term.

OFF-BALANCE SHEET ITEMS

The Company does not have any off-balance sheet items.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the profile of the Company on SEDAR at www.sedar.com.

April 28, 2017