ATAC RESOURCES LTD.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2017

May 29, 2018

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1. PRELIMINARY NOTES

Date of Information Currency and Exchange Rates

This is the Annual Information Form ("AIF") of ATAC Resources Ltd. (the "Company" or "ATAC" or "we"). All information presented in this AIF is as of December 31, 2017, unless otherwise indicated. All dollar amounts referred to in this AIF are expressed in Canadian dollars unless otherwise indicated. The Company's accounts are maintained in Canadian dollars and the Company's business activities are predominantly conducted in Canadian dollars.

Cautionary Statement on Forward-Looking Statements

Certain statements included in this AIF contain forward-looking statements that relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. These statements include, but are not limited to: statements concerning the future financial and operating performance of the Company and its current and proposed mineral projects; the future prices of gold and other precious and base metals; the estimation of mineral resources; the realization of mineral resource estimates; the timing and amount of estimated future costs; statements relating to the future economic parameters of the Rackla Gold Project, included anticipated working capital requirements and capital expenditures; costs and timing of future exploration; requirements for additional capital; government regulation of mining operations; environmental risks; reclamation expenses; title disputes or claims; and limitation of insurance coverage.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "proposes", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to: general business and economic uncertainties; exploration and mining risks; uncertainties relating to surface rights; the actual results of current exploration activities; the outcome of negotiations; conclusions of economic evaluations and studies; future prices of gold and other precious and base metals; increased competition in the mining industry for properties, equipment and qualified personnel; risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation; the risk of changes in law; title risks; and the risk of loss of key personnel.

The forward-looking statements contained herein are based on a number of assumptions that management believes are reasonable, but may prove to be incorrect. These assumptions include, but are not limited to, the following: that there is no material deterioration in general business and economic conditions; that there is no unanticipated fluctuation of interest rates and foreign exchange rates; that the supply of and demand for gold develops as expected; that we receive regulatory approvals for our exploration projects on a timely basis; that we are able to obtain financing for our projects on reasonable terms; that our resource estimates are within reasonable bounds of accuracy and that the geological, operational and price assumptions on which they are based are reasonable; and that we are able to hire the personnel we need to carry out our objectives.

The foregoing lists of factors and assumptions are not exhaustive. The reader should also consider carefully the matters discussed under the heading "Risk Factors" elsewhere in this AIF. Forward- looking statements contained herein are made as of the date hereof (or as of the date of a document incorporated herein by reference, as applicable). We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing lists of factors and assumptions, whether as a result of new information, future events or results or otherwise, except as required by law. Because forward-looking statements are inherently uncertain, readers should not place undue reliance on them. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

Cautionary Note to U.S. Investors

All references to mineral resources contained in this AIF are determined in accordance with Canadian Securities Administrators National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"), as required by Canadian securities regulations. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, they are not defined or recognized by the U.S. Securities and Exchange Commission (the "SEC"). As such, information contained in this AIF concerning descriptions of mineralization and resources, as determined in accordance with NI 43-101, may not be comparable to similar information made public in accordance with the requirements of the SEC. "Indicated mineral resources" and "inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of mineral resources constitutes, or will ever be converted into, mineral reserves.

Qualified Persons

Julia Lane, B.Sc., P. Geo., a geological consultant to and the Vice President of Exploration of the Company, is the Qualified Person as defined by NI 43-101 and is responsible for the preparation of, and has reviewed and approved, the technical disclosure in this AIF, unless otherwise indicated.

2. CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

ATAC Resources Ltd. is organized and existing under the *Business Corporations Act* (British Columbia). The Company's head office is located at Suite 1016 – 510 West Hastings Street, Vancouver, British Columbia, V6B 1L8. The Company's registered and records office is located at Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

The Company was incorporated under the *Company Act* (British Columbia) on October 15, 1998 under the name "ATAC Resources Ltd." with an authorized capital of 100,000,000 common shares without par value and 100,000,000 Class A preferred shares with a par value of $1.00 each. Effective July 8, 2005, the Company transitioned under the *Business Corporations Act* (British Columbia), and increased its authorized capital to an unlimited number of common shares without par value and an unlimited number of Class A preferred shares with a par value of $1.00 each.

2.2 Intercorporate Relationships

The Company has two wholly-owned subsidiaries: 0885794 B.C. Ltd. and 0885802 B.C. Ltd., each of which was incorporated under the laws of the Province of British Columbia on July 14, 2010. Neither subsidiary has any material assets or liabilities.

3. GENERAL DEVELOPMENT OF THE BUSINESS

The Company is in the business of exploring for metals and minerals with a particular emphasis on gold. It does not own interests in any producing operations. At present, Management is concentrating most of its efforts on the Company's wholly-owned Rackla Gold Project in central Yukon.

3.1 Three Year History

On January 12, 2015, an aggregate of 1,030,000 incentive stock options with an exercise price of $1.40 expired unexercised.

On January 23, 2015, the Company granted an aggregate of 1,800,000 incentive stock options to officers, directors, employees and consultants. Each option entitles the holder to purchase one common share of the Company at a price of $0.75 for a period of five years. The options are subject to vesting provisions under which 25% of the options vest after each three month period during the first year of the exercise period.

On March 24, 2015, the Company announced its 2015 plans for a $3 million Phase I exploration and drilling program at its Rackla Gold Project in east-central Yukon Territory.

On March 31, 2015, the Company carried out a helicopter-borne magnetic and radiometric geophysical survey of its Panorama property, located in Yukon Territory.

On June 22, 2015, the Company announced the commencement of Phase I drilling and exploration at its Rackla Gold Project, with the work to focus on expanding the Carlin-type gold discoveries at the Conrad Zone and Anubis Cluster within the Nadaleen Trend.

On June 24, 2015, the Company announced that Graham Downs had been appointed President as well as Chief Executive Officer, replacing Robert C. Carne as President, with Mr. Carne remaining a director and as a consulting geologist with regular field visits and as a senior technical advisor to the Board of Directors in matters concerning exploration and potential acquisitions and mergers. On the same date, the Company also announced the appointment of Julia Lane, B.Sc. P. Geo. as the Company's Vice President of Exploration.

On August 25, 2015, the Company announced the discovery of the Orion zone within the Anubis Cluster and diamond drill results from the Conrad Zone, both sites being located within the Nadaleen Trend at the eastern end of the Company's 100% owned, 1,700 sq/km Rackla Gold Project.

On October 6, 2015, the Company reported results from a regional-scale exploration program completed within the Rau Trend at the western end of the Company's 100% owned, 1,700 sq/km Rackla Gold Project.

On October 26, 2015, the Company announced that it had completed the 2015 work program at its Tiger Deposit which focused on completing optimization where recommended in the 2014 Preliminary Economic Assessment (the "2014 PEA") prepared by Kappes, Cassiday & Associates in cooperation with Tetra Tech, Inc., Giroux Consultants Ltd., Resource Strategies and Gerald G. Carlson, Ph.D., P.Eng.

On January 21, 2016, the Company granted an aggregate of 2,470,000 incentive stock options to officers, directors, employees and consultants. Each option entitles the holder to purchase one common share of the Company at a price of $0.31 for a period of five years. The options are subject to vesting provisions under which 25% of the options vest after each three month period during the first year of the exercise term.

On January 21, 2016, the Company announced that it had accepted the surrender for cancellation of options held by certain directors, officers, employees and consultants in respect of a total of 2,177,000 shares (an option in respect of 100,000 shares formerly exercisable at $2.60 per share, options in respect of a total of 2,057,000 shares formerly exercisable at $3.00 per share, and an option in respect of 20,000 shares formerly exercisable at $1.70 per share).

On February 10, 2016, the Company announced its 2016 plans for a fully-funded Phase 1 exploration and drilling program at its Rackla Gold Project in east-central Yukon Territory.

On March 11, 2016, an aggregate of 1,185,000 incentive stock options with an exercise price of $1.80 expired unexercised.

On April 22, 2016, the Company closed the non-brokered private placement initially announced on April 19, 2016, consisting of the sale of 5,000,000 flow-through common shares at $0.65 per share, for gross proceeds of $3,250,000.

On May 31, 2016, the Company announced the completion of an updated Preliminary Economic Assessment (the "2016 PEA") for the Tiger Deposit, located at the western side of the Company's Rackla Gold Project. The 2016 PEA incorporated results of geotechnical and infill drilling conducted in 2015 and metallurgical studies completed in early 2016. Key changes to the 2014 PEA consisted of the inclusion of both oxide and sulphide resources and the adoption of a simplified year-round agitated tank carbon-in-pulp ("CIP") leaching process.

On June 7, 2016, the Company announced the appointment of Don Poirier to its Board of Directors. The Company also announced the granting to Mr. Poirier of an incentive stock option, entitling him to purchase up to 250,000 common shares at a price of $0.76 per share. This option is valid for a period of five years and vests on a quarterly basis commencing three months from the date of grant.

On June 14, 2016, the Company announced the commencement of its Phase I drill and exploration program at its Rackla Gold Project.

On July 14, 2016, the Company announced the completion and filing of the 2016 PEA for its Tiger Deposit located at the western end of the Company's Rackla Gold Project.

On August 2, 2016, the Company announced that it had concluded an agreement with Arcus Development Group Inc. ("Arcus"), under which Arcus would acquire the Company's 50% interest in the Dawson Gold Joint Venture (the "Joint Venture"). (The Joint Venture was formed in 2012 and contained four mineral properties: the Dan Man, Touleary, Green Gulch and Shamrock, all of which are located in the White Gold District of west-central Yukon Territory, with the Dan Man property sharing its southern boundary with Goldcorp Inc.'s Coffee Gold Project. As consideration for the Company's 50% interest in the four Joint Venture properties, Arcus issued the Company 10,869,910 common shares and 5,000,000

share purchase warrants, with each warrant entitling the Company to purchase an additional common share of Arcus at a price of $0.20 per share for a period of five years; the Company also retains a 1% net smelter return royalty interest in any future production from any of the four Joint Venture properties.)

On August 10, 2016, the Company announced the exploration results from the Rau Trend located at the western end of its Rackla Gold Project, Yukon Territory.

On August 22, 2016, the Company announced the commencement of Phase II of its 2016 drill campaign at its Orion gold target, located within the Nadaleen Trend at the eastern end of the Company's Rackla Gold Project, Yukon Territory.

On August 22, 2016, the Company also announced the completion of the sale of its four Joint Venture properties to Arcus.

On September 12, 2016, the Company announced the results for the first three completed diamond drill holes of the planned ten hole program at the Orion Zone, located within the Nadaleen Trend at the eastern end of the Company's Rackla Gold Project, Yukon Territory.

On November 7, 2016, the Company announced the results of cyanide leach test work and diamond drill results from the Orion Zone at the eastern end of the Company's Rackla Gold Project, Yukon Territory.

On January 17, 2017, the Company announced its fully-funded 2017 exploration program of $10 million, to include approximately 15,000 metres of diamond and rotary air blast ("RAB") drilling at its Rackla Gold Project, with the multiphase exploration program to focus on expanding high-grade gold mineralization at existing zones within the Nadaleen and Rau Trends.

On April 10, 2017, the Company announced that it had entered into a number of transactions with Barrick Gold Corporation ("Barrick"), pursuant to which Barrick can acquire an interest in the central portion of the Company's Rackla Gold Project (the "Orion Project"), and make an $8.3 million investment in the Company. Under the terms of the property earn-in agreement, Barrick can acquire up to a 70% interest in the Orion Project. (The transactions consist of a potential total investment by Barrick of approximately $63.3 million, including a private placement of $8.3 million and a two staged, $55 million exploration earn-in option to acquire up to 70% of the Orion Project.)

On May 4, 2017, the Company announced the closing of the flow-through private placement originally announced on April 10, 2017. A total of 16,684,800 flow-through common shares were sold at a price of $0.50 per share, for gross proceeds of $8,342,400. (The private placement formed part of a tax-assisted structured transaction arranged by PearTree Securities Inc., with Barrick becoming the ultimate owner of these shares, resulting in Barrick owning approximately 19.9% of the issued and outstanding shares of the Company on a non-diluted basis.)

On May 8, 2017, the Company announced the appointment of Ed Cope as Technical Advisor to the Company's Technical Committee.

On May 26, 2017, the Company announced the results of its annual general and special meeting held on May 25, 2017, as well as the granting of incentive stock options to its directors, officers, employees and consultants, entitling them to purchase up to a total of 3,115,000 common shares at a price of $0.55 per share for a period of five years, which options will vest on a quarterly basis commencing three months from the date of grant.

On June 5, 2017, the Company announced the commencement of diamond drilling at the Carlin-type Conrad gold zone within its wholly-owned Osiris Project forming part of its Rackla Gold Project, Yukon Territory.

On August 17, 2017, the Company announced the results of the first four diamond drill holes from the Conrad Zone within the Osiris Project at the Company's Rackla Gold Project, Yukon Territory.

On August 29, 2017, the Company announced the results on an additional four diamond drill holes from the Conrad and Osiris Zones within the Osiris Project at the Company's Rackla Gold Project, Yukon Territory.

On October 23, 2017, the Company announced the results of twelve diamond drill holes from its Tiger Gold Deposit and Tiger East Anomaly, within the Company's 100% owned Rau Project at the Rackla Gold Property, Yukon Territory.

On November 28, 2017, the Company announced the results of the final eleven diamond drill holes from its 2017 exploration program at its 100% owned Osiris Project at the Rackla Gold Property, Yukon Territory.

3.2 Events subsequent to December 31, 2017

On January 17, 2018, the Company announced a summary of the comprehensive 2017 exploration program on the Orion Project located within the Rackla Gold Property, Yukon Territory. (The Orion Project comprises the central portion of the Company's Rackla Gold Property and is subject to a $55 million earn-in agreement with Barrick Gold Corporation, as initially announced on April 10, 2017.)

On January 29, 2018, an aggregate of 1,830,000 incentive stock options with an exercise price of $1.80 expired unexercised.

On February 1, 2018, the Company announced the granting of incentive stock options to its directors, officers, employees and consultants, entitling them to purchase up to a total of 3,165,000 common shares at a price of $0.55 per share for a period of five years, which options will vest on a quarterly basis commencing three months from the date of grant.

On February 6, 2018, the Company announced exploration results and project developments from its 100% owned, 660 km^2 Rau Project located at the western end of the Company's Rackla Gold Property, Yukon Territory.

On March 1, 2018, the Company announced the appointment of Matthew Keevil as its Vice President of Corporate Development. The Company also announced the granting to Mr. Keevil of an incentive stock option, entitling him to purchase up to 250,000 common shares at a price of $0.53 per share. This option is valid for a period of five years and vests on a quarterly basis commencing three months from the date of grant.

On March 5, 2018, the Company announced that a joint decision document was issued by the First Nation of Na-cho Nyak Dun and the Yukon Government allowing for the all-season access road project to the Tiger Deposit proceed.

On May 9, 2018, the Company announced a non-brokered private placement offering of flow-through shares at a price of $0.60 per share. The proceeds from this private placement will be used to finance a portion of the Company's 2018 exploration program at its Rackla Gold Property, Yukon Territory.

On May 29, 2018, the Company announced the closing of the flow-through share private placement originally announced on May 9, 2018. A total of 7,556,700 flow-through common shares were sold at a price of $0.60 per share, for gross proceeds of $4,534,020. (The Company paid cash finders' fees totaling $269,881.20 and issued 443,201 finder warrants to various finders in connection with said closing, with each finder warrant entitling the holder to purchase one common share of the Company at a price of $0.60 until May 25, 2019.)

As of May 29, 2018, the Company owned marketable securities of other publicly traded junior resource companies having a total market value of approximately $656,900. These securities were acquired by the Company pursuant to various property option or sales agreements.

4. DESCRIPTION OF THE BUSINESS

4.1 General

Overview. The Company is a Canadian mineral exploration company with its head office located in Vancouver, British Columbia. The Company's common shares are listed for trading on Tier 1 of the TSX Venture Exchange under the trading symbol "ATC". The Company's principal business is the acquisition, exploration and development of mineral properties. The Company's principal property and focus is its Rackla Gold Project, located in Yukon Territory, in which it holds a 100% interest.

Principal Products. The Company is an exploration company and is not in production. If it puts the Rackla Gold Project into production, there is a global market into which the Company could sell any gold and silver produced and, as a result, the Company would not be dependent on a particular purchaser with regard to the sale of any precious metals that it produces.

Specialized Skills and Knowledge. All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, mine planning, engineering, construction, regulatory permitting and compliance and accounting. The Company has been successful, to date, in identifying and retaining contractors and consultants with such skills and knowledge.

Competitive Conditions. The mining business is a competitive business. The Company competes with numerous companies and individuals that have resources significantly greater than the resources of the Company, in the search for: (i) attractive mineral properties; (ii) qualified service providers and consultants; and (iii) equipment and suppliers. The ability of the Company to acquire additional mineral properties in the future will depend on its ability to develop and operate its present properties, and also on its ability to select and acquire suitable producing properties or prospects for development or exploration. See "*Risks Factors - Competition*".

Environmental Protection. Upon receipt of all necessary permits and approvals, the Company will need to comply with all applicable Yukon territorial and federal regulations during the construction of the Rackla Gold Project and related future mine operations. As part of mine permitting, territorial bonding for mine closure will be required. The closure of future mining operations would ultimately entail the restoration of habitats and water systems to a level that restores the topography and aquatic systems to a state which is compatible with the surrounding environment. All of these activities would represent cash outflows which would affect the overall project economics of the Rackla Gold Project.

Employees. The Company's only employees are its President and Chief Executive Officer Graham N. Downs and its Vice President of Corporate Development Matthew Keevil. The Company uses consultants and contractors for many aspects of its business.

Social and Environmental Policies. Key environmental and socio-economic considerations associated with the Rackla Gold Project include water quality monitoring, wildlife studies, heritage studies and ongoing community and First Nations relations.

4.2 Risk Factors

In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Dependence on One Mineral Property

The Company is currently focused on one principal mineral property, the Rackla Gold Project, which may never develop into a commercially viable gold or other mineral body, which would have a materially adverse effect on the Company's potential mineral resource production, profitability, financial performance and results of operations.

Financing Risks

The Company has limited financial resources and no source of operating cash flow, and there is no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's properties may be dependent upon the Company's ability to obtain financing through equity, debt or other means, including joint venturing. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects, giving rise to the possible loss of the Company's interest in such projects.

Exploration and Mining Risks

The business of exploring for minerals and mining involves a high degree of risk. Only a small proportion of properties that are explored are ultimately developed into producing mines. At present, none of the Company's properties have proven or probable reserves and the ongoing programs are an exploratory search for proven or probable reserves. The mining areas included in the Technical Report, as defined later herein, and other areas currently being assessed by the Company may not contain economically recoverable volumes of minerals or metals. The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, civil unrest, the inability to obtain suitable or adequate machinery, equipment or labour and other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied, and may continue to rely, upon consultants and others for operating expertise. Should economically recoverable volumes of minerals or metals be found, substantial expenditures will be required to establish reserves through drilling, and to develop metallurgical processes, the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized

deposit, no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations, or that funds required for development will be obtained on a timely basis. The economics of developing gold and other mineral properties are affected by many factors, including the cost of operations, variations of the grade of ore mined, fluctuations in the market price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies and the processing of new or different grades and ore types, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production-scale operations. Material changes in geological resources, grades, stripping ratios and/or recovery rates may affect the economic viability of the Company's projects. Depending on the price of gold or other minerals produced, which have fluctuated widely in the past, the Company may determine that it is impractical to commence or continue commercial production.

Limited Experience with Development-Stage Mining Operations

Although the Company has officers and consultants with previous experience in placing mineral properties into production, its ability to do so will be dependent upon retaining the services of additional experienced personnel or entering into agreements with other resource companies that can provide such expertise. There can be no assurance that the Company will have the necessary expertise available to it when and if it places its resource properties into production.

Estimates of Mineral Resources and Production Risks

The mineral resource estimates included in this document are estimates only, and no assurance can be given that any proven or probable reserves will be discovered, that any particular level of recovery of minerals will, in fact, be realized, or that an identified reserve or resource will ever qualify as a commercially mineable (or viable) deposit which can be economically exploited. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results, and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated resources described in this document should not be interpreted as assurances of commercial viability or potential profitability of any future operations.

Effect of Taxation on Figures Contained in the 2016 PEA

The financial and economic analysis, modeling and forecasting set out in the 2016 PEA has been prepared using pre-tax figures. This analysis, modeling and forecasting, including the project net present value and internal rates of return set out in the 2016 PEA, will be significantly lower on an after-tax basis after taking into account all applicable taxes which the Company is required to pay in accordance with the tax laws of the Yukon Territory, the Province of British Columbia and of Canada applicable to the Company's operations, including the *Income Tax Act* (Canada).

Metal Prices

The mineral exploration and development industry, in general, is intensely competitive and, even if commercial quantities of proven and probable reserves are discovered, there is no assurance that a profitable market may exist for the sale of associated metals. Factors beyond the control of the Company may affect the marketability of any substances discovered. Metal prices have fluctuated widely, particularly in recent years, and may continue to do so. The marketability of metals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to price, royalties, allowable production and importing and exporting of metals, the effect of which cannot be accurately predicted.

Uninsured Risks

In the course of exploration, development and production of mineral properties, certain risks exist and, in particular, unexpected or unusual geological operating events, including rock bursts, cave-ins, fire, flooding and earthquakes, may occur. It is not always possible to fully insure against such risks due to prohibitively high premiums or other factors. Should such events occur, the associated liabilities could increase costs and reduce or eliminate any future profitability, have a material adverse effect on the Company's reported results and result in a decline in the value of the securities of the Company.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company has for the acquisition of mineral properties and the recruitment and retention of qualified employees and contractors.

Environmental and other Regulatory Requirements

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploration and development operations, such as seepage from fuel storage areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines, penalties and stop-work orders. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving towards stricter standards and enforcement, and fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with governmental regulations has the potential to reduce the profitability of operations.

The current exploration activities of the Company require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing exploration, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for exploration and development will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations will not have an adverse effect on the Rackla Gold Project or any project that the Company may undertake. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities and that it does not currently have any material environmental liabilities; however, there may be unforeseen environmental liabilities resulting from exploration and/or mining activities and these may be costly to remedy.

Additionally, the Company does not maintain insurance against environmental risks, because the cost to do so is prohibitively high. As a result, any such claims against the Company may result in liabilities which could have a material adverse effect on the operations and financial condition of the Company.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration operations may be required to compensate those suffering loss or damage by reason of their exploration and development activities and may have civil or criminal fines or penalties imposed on them, for violations of applicable laws and regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or a more stringent application thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Title Matters

The acquisition of title to mineral properties is a detailed and time-consuming process. Title to minerals and the surface area of mining properties may be subject to modifications prior to the development of a mine. While the Company has diligently investigated title to all mineral concessions and, to the best of its knowledge, title to all of its properties is in good standing, this should not be construed as a guarantee of title. Title to the properties may be affected by undisclosed and undetected defects.

Aboriginal Land Claims and Rights

The Supreme Court of Canada affirmed that aboriginal groups may continue to have aboriginal title to, or other aboriginal rights in respect of, land that their ancestors exclusively occupied and controlled at the time of the assertion of British sovereignty and not ceded by treaty and other aboriginal treaty rights in respect of such lands so ceded by treaty. First Nations and other aboriginal groups have claimed aboriginal title over substantial areas of Canada. Depending on the facts of each case, these claims may give them the right to possess and control land or resources, or the right to compensation from the applicable provincial or territorial government in relation to past, current or prospective infringement of recognized aboriginal title rights or other aboriginal or treaty rights. While the majority of the Company's activities in the Yukon Territory are on lands covered by the First Nation of Na-Cho Nyak Dun Final Agreement dated the 29th day of May, 1993 among the Government of Canada, the First Nation of Na-Cho Nyak Dun and the Government of the Yukon, and the Company is not aware of any aboriginal land claims respecting the related properties, there can be no assurance that aboriginal land claims or other aboriginal or treaty rights will not affect the Company's existing properties in the future, or its ability to renew or secure title to, or to advance the development of, its properties in the future.

In addition, the federal and/or territorial governments (the "Crown") may, depending on the factual circumstances, have a duty to consult and potentially accommodate aboriginal groups, which duty arises from the "Honour of the Crown" and the recognition of aboriginal and treaty rights set out in Section 35(1) of the Constitution Act, 1982. The purpose of such protection has been interpreted by the Supreme Court of Canada as "the reconciliation of the pre-existence of aboriginal societies with the sovereignty of the Crown". The duty "arises when the Crown has knowledge, real or constructive, of the potential existence of an aboriginal right or title and contemplates conduct that might adversely affect it". The process with respect to the Crown's duty to consult in the mining context is not fully defined under Yukon law. Although the Company will continue to work with the First Nation of Na-Cho Nyak Dun and the

applicable federal and territorial ministries and agencies, in this process, as the Company advances towards the development and construction of its Rackla Gold Project, the Company may encounter significant delays, unexpected costs and challenges as a result of the consultation process with aboriginal groups, and there is no assurance that despite the Company's efforts, it will not be subject to adverse claims that may delay or disrupt its activities.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource 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 the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia and Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program or project and the interest therein to be acquired by it, the directors will primarily consider the Company's financial position at that time, the degree of risk to which it may be exposed, and to what extent the Company's financial and management resources might need to be allocated to a new program or project.

Dependence on Key Personnel

The Company's development, to date, has largely depended on, and in the future will continue to depend on, the services of qualified management and consultants to oversee and conduct the Company's exploration activities. While the Company believes that the loss of the services of any individual manager or consultant will not have a material adverse effect on the Company, the Company is dependent on the availability of qualified personnel to manage and conduct its operations. The global demand for qualified personnel in the mining business is moderate. The lack of availability of qualified personnel could have a significant material adverse effect on the Company and, therefore, on the price of its shares. The Company has not taken out and does not intend to take out key-man insurance in respect of any directors, officers or consultants.

Current Global Financial Conditions

Current global financial conditions have been subject to increased volatility. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and/or the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner.

Share Price Fluctuations

In recent years, the capital markets have experienced a high level of price and volume volatility. The securities of many companies, particularly those considered exploration-stage companies such as the Company, have experienced wide fluctuations in market prices which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the price of securities of the Company will not occur.

No Dividends

The Company does not currently have any revenues and does not intend to declare or pay dividends on its shares. Accordingly, investors in the Company's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all, and it is unlikely that investors will receive any return on their investment in the Company's securities other than through possible share price appreciation.

4.3 Mineral Projects

The primary focus of ATAC is the exploration and development of the Rackla Gold property. Although no longer considered core business, ATAC continues to hold interests in a number of other mineral properties outside of the Rackla Gold property, as disclosed below.

A. Rackla Gold Property

ATAC's Rackla Gold property is located in the Mayo Mining District of central Yukon. The approximate centre of the project area is 100 km northeast of Keno City. The Rackla Gold property area is comprised of 8,739 mineral claims and covers an east-west extending land package approximately 185 km long by 15 km wide and covers an area of approximately 1,700 km^2. ATAC has acquired the claims through its own staking for the purpose of covering the projected extensions of the favourable geology underlying the Rackla Gold property.

The Rackla Gold property lies within a zone of regional-scale thrust faults, which imbricate basinal sediments and platform carbonate rocks. The thrust panel that contains the Rackla Gold property approximately straddles the boundary between Selwyn Basin and Mackenzie Platform and contains units belonging to both tectonic elements. ATAC has carried out an aggressive geochemical sampling and prospecting program over most of the property to evaluate areas of future exploration focus.

From east to west, the Rackla Gold property has been divided into three separate project areas: (a) the Osiris project, which hosts the Conrad, Osiris, Sunrise and Ibis Carlin-type gold zones; (b) the Orion project, which is subject to an earn-in agreement with Barrick; and (c) the Rau project, which hosts the Tiger Gold Deposit. Each of the three projects is discussed below.

The gold mineralization identified to date in both the Osiris and Orion project areas is generally characterized by fine-grained pyrite, realgar and orpiment which appear to be the primary minerals associated with gold. The mineralization occurs in limestone debris flows and turbidite deposits characteristic of an offshore sedimentary environment. The mineralogy, chemistry and geological setting of both the Osiris and Orion project areas are characteristic of Carlin-type mineralization.

(a) Osiris Project

The Osiris project is located at the eastern end of the Rackla Gold property. Gold mineralization in the Osiris project area was first discovered in July of 2010 at the Osiris gold showing. Since 2010, ATAC has identified four mineralized zones within the Osiris property area: (i) Osiris; (ii) Ibis; (iii) Conrad; and (iv) Sunrise. Each of these zones is summarized below.

(i) Osiris Zone

Gold mineralization at the Osiris Zone is hosted by Neoproterozoic carbonate rocks that are folded into a southerly plunging anticline and occurs in the form of narrow stylolites, stockworks and disseminations of fine grained pyrite associated with realgar and orpiment (both are arsenic sulphide minerals) accompanied by decarbonitization, silicification and peripheral calcite flooding. The discovery has been traced for an 800 m strike length on both limbs of the fold. The strongest mineralization occurs within a 40 m wide zone that lies along the fold axis near the crest of the anticline.

Drill campaigns from 2010 through 2017 included a total of 63 holes (16,321 m) and tested two distinct structural settings for Carlin-type gold mineralization: (i) the steeply dipping west limb of the anticline; and (ii) the near-surface mineralization in the south-dipping east limb.

Drilling in 2017 tested the favourable limestone and overlying dolostone units in proximity to faults that offset the Osiris stratigraphy. Drilling was also completed to confirm continuity of the mineralizing system to the north where wide-space drilling in 2011 initially identified the mineralizing trends. The Osiris drill results released to date confirm good continuity of the mineralization along the western limb of the Osiris Anticline. Mineralization appears to be most strongly developed near stratigraphic boundaries where mineralizing fluid-flow can become focused. Hole OS-17-237 intersected 17.16 m of 2.89 g/t gold within mineralized fractures that developed on the periphery of one of the Osiris cross faults. Hole OS-17-239 intersected 13.89 m of 1.85 g/t gold in a more strongly faulted section of the host limestone unit. Hole OS-17-244 demonstrated focused fluid-flow along a stratigraphic contact between limestone and mudstone returning 12.19 m of 9.60 g/t gold. Hole OS-17-258 returned 16.46 m of 5.29 g/t gold in fine crackle brecciation of the Osiris limestone unit. This intersection was the deepest test of the Osiris Zone to date.

Assay results from all Osiris drilling released to date can be viewed on ATAC's website at www.atacresources.com.

(ii) Ibis Zone

The Ibis Zone is located approximately 500 m southwest of the Osiris Zone. Gold mineralization here is stratabound and is localized in the same southerly plunging anticlinal structural setting that hosts the Osiris Zone. The style of mineralization in the two zones is very similar, with the best gold grades occurring at or near the contact between silty limestone and overlying dolostone. The axial crest of the anticline contains the widest and best mineralized intervals.

Drilling to date includes a total of 26 holes (6,574 m) and mineralization has been intersected over an unfolded strike length of 200 m to the current maximum depth of 400 m below surface. The mineralized area remains open to expansion to depth. Two soil geochemical anomalies located to the east and west of the currently drilled areas that have not been fully-tested. No diamond drilling was completed at Ibis in 2017.

Results from all Ibis Zone drilling to date can be viewed on ATAC's website at www.atacresources.com.

(iii) Conrad Zone

The Conrad Zone is the most advanced zone within the Osiris project area. To date a total of 50,220 m of drilling in 123 holes has been completed.

Carlin-type mineralization at the Conrad Zone is contained within three structural and stratigraphic settings. In the Conrad Upper Zone, gold mineralization occurs along the stratigraphic contact between limestone and an overlying pyritic siltstone cap unit where the thickest mineralization occurs along the crest of an anticlinal fold. The Upper Zone has been continuously traced by shallow drilling over a strike length of 800 m. Mineralization in the Upper Zone remains open along strike.

Mineralization at the Conrad Middle Zone is characterized by strong alteration and mineralization within multiple stacked, flat-lying bodies proximal to a laterally extensive, near vertical siltstone-limestone contact. Only 300 m of the presently known 800 m long favourable siltstone-limestone contact has been tested. Mineralization in the Middle Zone remains open along strike and at depth.

The Conrad Lower Zone is marked by two new significant gold intervals that returned gold values beneath the Conrad Middle Zone. Mineralization in the Lower Zone remains open along strike and at depth.

Drilling at the Conrad Zone in 2017 was focused on targeting cross-faults, including the 350 and 650 Faults that are thought to be part of the hydrothermal plumbing system that introduced gold mineralization into Conrad. Results of the drilling completed to date suggest that both the 350 and 650 Faults play a significant role in the mineralizing system at Conrad.

Hole OS-17-232 intersected mineralization in proximity to the vertical 350 Fault beneath the north-dipping Nadaleen Fault and returned 12.19 m of 5.97 g/t gold including a higher-grade interval of 7.54 m of 8.59 g/t gold. This intersection is hosted in the Conrad limestone unit and represents a previously unknown area of mineralization. Further to the south, hole OS-17-233 intersected 67.06 m of 3.35 g/t gold at the contact between the Conrad limestone and overlying siltstone in proximity to the 350 Faults. The preliminary drilling of the 350 Fault zone suggests that it is made up of a series of faults in a northerly trending zone approximately 80 m wide. These faults offset the favourable siltstone-limestone contact area approximately 100 m to the north.

The 650 Fault Zone is an area where detailed geologic and structural modelling has shown a northward stepped displacement of the Conrad limestone unit. Hole OS-17-236 was drilled across the northwest trending 650 Fault corridor and intersected four zones of high-grade gold including 27.43 m of 4.37 g/t gold and 42.67 m of 3.78 g/t gold. The four mineralized zones in this hole represent the interplay of the 650 Fault hosted mineralization with the strata controlled replacement-style Conrad Upper Zone mineralization.

Hole OS-17-238 at Conrad targeted an area of limited drilling within the 650 Fault corridor and returned high-grade siliciclastic-hosted rock with an interval of 12.50 m of 20.78 g/t gold near the top of the hole. Additional intervals of high-grade gold mineralization including 10.41 m of 7.15 g/t gold within OS-17-238 occur in fracture networks developed in the siliciclastic rock unit hosted in the 650 Fault corridor.

Strong fluid alteration characteristics were observed in association with high-grade mineralization in hole OS-17-241 which intersected 5.60 m of 14.46 g/t gold, at the faulted contact between the limestone and siltstone units in association with the 650 Fault corridor. Broader intersections of mineralization, as found in hole OS-17-245 which returned 18.10 m of 2.56 g/t gold, are the result of lateral migration of the

mineralization fluids away from the fault corridors along favourable horizons within host rocks.

Holes OS-17-257 and OS-17-259 targeted the 650 fault corridor at the structural intersection with the Nadaleen Fault and returned 121.19 m of 9.44 g/t gold and 25.91 m of 5.44 g/t gold respectably.

Results from all drilling at the Conrad Zone released to date can be viewed on ATAC's website at www.atacresources.com.

(iv) Sunrise Zone

The Sunrise Zone is located 300 m east of the Osiris anticline hinge zone. Mineralization at Sunrise occurs as sub-parallel tabular bodies that dip steeply south. Gold mineralization at the Sunrise Zone extends for a strike length of 215 m and remains open at depth.

Since the original discovery of the zone in 2012, a total of 6,654 m of drilling in 29 holes has been completed.

The primary objective of the 2017 drilling at the Sunrise Zone was to systematically step-out from previously defined mineralization and to test the wide gaps between previous drill holes and to expend the zone at depth. The initial 2017 Sunrise holes successfully extended gold mineralization at depth. Hole OS-17-249 was drilled on the eastern side of the zone and returned intersections of 10.42 m of 7.97 g/t gold and 15.24 m of 13.52 g/t gold. Results from hole OS-17-249 included the highest grade intersection received to date at Sunrise. The final hole drilled at Sunrise in 2017, OS-17-254, returned two intervals of high-grade gold mineralization including 5.93 m of 4.50 g/t gold and 13.68 m of 4.55 g/t gold. These results are consistent with hole OS-17-249, located 100 m to the east, as both holes show a bifurcation of the mineralized zone and an elevated gold grade with depth.

Results from all drilling at the Sunrise Zone can be viewed on ATAC's website at www.atacresources.com.

(b) Orion Project

The Orion project covers an area of 780 km^2 and occupies the central third of the Rackla Gold property and is subject to a $55 million earn-in agreement with Barrick Gold Corporation. The project hosts the 18 km^2 Anubis cluster and contains the Orion and Anubis gold Zones. The 18 km^2 geochemical footprint identified by ATAC in the Anubis area including peripheral occurrences of high-grade silver-lead-zinc and gold mineralization suggests the area has been exposed to a very large Carlin-type mineralizing event.

Geochemical anomalies occur in clusters in the Orion project area along a regional scale northwest-trending extensional fault system. Trenching and geochemical sampling has outlined a cumulative 8 km strike length of anomalous and potentially mineralized fault structure with well developed, gold bearing Carlin-type hydrothermal alteration in adjacent rocks.

A total of nine priority exploration targets have been identified for future drilling within the Orion project area, namely, the Anubis, Ana, Hydra, Draco, Dorado, Orion, Zodiac, Columba and Corona showings.

Barrick Transactions

By agreement dated April 7, 2017, ATAC entered into a number of transactions with Barrick consisting of a maximum investment by Barrick of $63.3 million. The transactions included a staged option to Barrick to acquire up to a 70% interest in the Orion project and a tax-assisted structured private placement. Each of the transactions is summarized below:

(i) Earn-In and Joint Venture

Under the earn-in agreement dated April 7, 2017, (the "Option Agreement") ATAC granted Barrick a two-staged option to acquire a 70% interest in the Orion project. Stage 1 of the earn-in requires Barrick to incur exploration expenditures of $35-million over five years to acquire a 60% interest in the Orion project. Stage 1 expenditures include a $10-million guaranteed exploration commitment over the first three years.

Under the terms of the earn-in agreement, one or more senior members of the Barrick exploration team will be seconded to the Orion project and provide technical assistance and expertise to ATAC.

Once Barrick has acquired a 60% interest in the project, ATAC and Barrick will form a joint venture. Under the joint venture, Barrick will be granted the Stage 2 option to acquire an additional 10% interest in the Orion project by incurring an additional $20 million in exploration expenditures on the project. If Barrick does not exercise its right to acquire the additional 10% in the joint venture, ATAC will have the right to purchase a 10.1% interest in the project from Barrick, resulting in ATAC and Barrick joint venture interests of 50.1 per cent and 49.9 per cent, respectively.

If either of ATAC's or Barrick's joint venture interest is reduced to 10% or less, that party's interest in the Orion project will convert to a sliding-scale net smelter return royalty on gold. The royalty will be adjusted for changes in gold price and cumulative gold production from the Orion project. The net smelter return royalty will range from 1% to 3% with no buyout provision.

Each stand-alone gold deposit within the Orion project area will be subject to the same sliding scale net smelter return royalty, but the cumulative gold production amount will be reset to zero for each new deposit. Silver will be subject to a 2% fixed net smelter return royalty, and all other commodities will be subject to a 1% fixed net smelter return royalty. Neither of the fixed royalties will have a buyout.

(ii) Private Placement

Included in the transactions with Barrick was a tax-assisted structured private placement of $8.3 million. See "Liquidity and Capital Resources" for additional information. The proceeds from the private placement were used by ATAC to partially finance the $10 million 2017 exploration program at the Osiris and Rau projects, which are not subject to the Barrick earn-in agreement.

(iii) 2017 Exploration Program by Barrick

The primary objective of Barrick's first exploration program was to systematically establish a surface and sub-surface geologic and structural framework for identifying favourable rocks. The following work was completed on the Orion Project in 2017 to support this objective: (i) detailed mapping, prospecting and trenching; (ii) extensive rock, soil and stream sediment sampling; (iii) diamond and rotary air blast "RAB" drilling; and, (iv) ground based gravity survey and Lidar terrain mapping.

The mapping program resulted in a detailed classification of the Paleozoic stratigraphy and a refined understanding of the complex structural environment. The sampling program expanded coverage over known Paleozoic stratigraphy that had not previously been assessed. As part of this program, representative samples were collected for the purposes of geochemical classification of lithology and the identification of alteration suites.

Thirty-two RAB holes totalling 1,532 m were completed on the Orion Project in 2017. The RAB drilling tested the stratigraphy, alteration and the mineralizing potential of bedrock within overburden covered areas. The Pyramid target area was a particular focus of the RAB drilling as little was known about the geological environment as it is located in an area of low relief and significant surface cover.

Four stratigraphic diamond drill holes totalling 2,503 m were drilled in 2017. The holes were positioned specifically outside known mineralization and pathfinder soil geochemical anomalies in order to obtain an unaltered view of the Orion area stratigraphy. Although drilling occurred outside of the known mineralization and pathfinder footprint, favourable Carlin-type observations included: anomalous gold and elevated pathfinder elements (As, Sb, Hg and Tl) in holes three and four highlighting the prospective nature of both of the Anubis and Northern faults along their westward mapped extensions; and, several debris flow packages and turbidite sequences identified in holes two, three and four confirming important slope facies environments exist throughout the Paleozoic sequence at Orion.

An approximately 50 km² ground-based gravity survey was conducted between the Anubis and Pyramid target areas in 2017 to assist in the identification of structures and characterization of rocks within covered terrain. A fixed-wing based Lidar survey was also conducted to provide better ground control and to improve the identification of geologic contacts and structures below tree line. Preliminary interpretation of results from the gravity survey indicate good consistency with the regionally mapped geologic units while posing some alternative structural geometries of buried units within the Anubis Fault corridor.

Results from all of ATAC's work on the Orion project area can be viewed on ATAC's website at www.atacresources.com.

(c) Rau Project

The Rau project lies at the western end of the 185 km long Rackla Gold property and consists of a 22-kilometre-long geophysically and geochemically anomalous trend extending north westerly from the 63 million-year-old felsic Rackla Pluton. The trend hosts the Tiger Deposit as well as the Ocelot silver-lead-zinc discovery. Limited work conducted along trend of the Tiger Deposit since 2008 has led to the discovery of ten additional sediment hosted gold targets (Airstrip, Bengal, Caracal, Cheetah, Condor, Cougar, Jaguar, Panther, Puma and Serval), five gold+/- copper +/- tungsten skarn targets (Bobcat, Kathy, Hogsback, Ridgecrest and Flat Top) and numerous untested gold, gold-pathfinder and silver-lead-zinc anomalies.

Mineralization at the Rau project occurs within a highly prospective geological setting, situated between the regional scale Dawson and Kathleen Lakes Fault Zones. Mineralization styles within the Rau project are diverse and likely directly related to a broad hydrothermal mineralizing system centered around the Rackla Pluton, located 3 km southeast of the Tiger Deposit.

The objectives of the 2017 exploration program on the Rau Project were to improve the knowledge base related to existing targets along trend from the Tiger Deposit, evaluate untested soil anomalies and gain a better understanding of the broad controls on mineralization within the district.

Assays of 17.00 g/t gold, 9.46 g/t gold and 23.3% zinc from grab samples were collected at the Condor target (located 1.5 km northwest of the Tiger Deposit) while grab samples returning 8.18 g/t gold, 6.35 g/t gold and 3.90 g/t gold were returned from the Panther target (located 3 km northwest of the Tiger deposit). These high-grade results from the Condor and the Panther confirm the potential for carbonate-replacement style gold mineralization along trend from the Tiger Deposit.

Exploration in 2017 resulted in the identification of the Spotlight and Northwest target areas through the follow-up of anomalous gold and arsenic in soil. Assays of 4.63% copper and 7,080 g/t silver were returned from grab samples collected as part of a prospecting program on the Spotlight target area. Assay values of 1.43 g/t gold and 4.14 % zinc from grab samples collected at the 7.5 km^2 Northwest target area suggest the potential for the discovery of additional mineralized zones.

A desktop evaluation of the district-scale potential for intrusive-related mineralization was also completed in 2017 through the reinterpretation of existing geochemical and geophysical data sets. The results of this work suggested the potential for three distinct intrusive centres beneath the Rau Project based on characteristic intrusive-related geochemical signatures correlated with areas of anomalous magnetic response.

Of the three intrusive centres identified, one correlates with the known location of the Rackla Pluton and is believed to be related to the development of gold mineralization at the Tiger Deposit. A second intrusive centre is located approximately 5 km to the north of Tiger in the area of the Blue Lite skarn target and the recently identified Spotlight target. The third intrusive centre is located approximately 14 km to the west of Tiger, in the vicinity of the Now target and just south of the Northwest target area. All three intrusive centres will be further evaluated during the 2018 field program.

(i) Tiger Deposit

The Tiger Deposit is located approximately 55 km northeast of Keno City, Yukon. Current access is by air via a 2,500 foot airstrip located 8 km from the deposit.

The Tiger Deposit is a thick north-westerly trending body of carbonate-replacement style gold mineralization hosted by a moderately northeast dipping karsted limestone horizon. On June 14, 2016, ATAC filed an updated preliminary economic assessment report for the Tiger Deposit entitled “Technical Report and Preliminary Economic Assessment for the Tiger Deposit, Rackla Gold Project, Yukon Territory, Canada” (the “2016 PEA”) with Canadian securities regulators. A full copy of the 2016 PEA can be viewed under the ATAC profile on SEDAR (www.sedar.com).

The highlights from the 2016 PEA are summarized below:

- The 2016 PEA was completed using a base case gold price of US$1,250/oz and a currency exchange rate of US$0.78 equal to CA$1.00 (unless specified otherwise, all values are shown in Canadian dollars);
- Net present value (“NPV”) $_{(5\%)}$ of $106.6 million and an internal rate of return (“IRR”) of 34.8% before tax, and an NPV $_{(5\%)}$ of $75.7 million and an IRR of 28.2% after tax, with an all-in sustaining cost of US$864/oz;

- The 2016 PEA extends the mine life from 4 years to 6.2 years, more than doubles the pre-tax NPV $_{(5\%)}$ and increases the pre-tax IRR by 4.8%;
- Approximately 302,307 ounces of gold produced at an average undiluted grade of 3.81 g/t gold;
- Total project life increases to approximately 9 years, including 1 year of construction and pre-stripping followed by 6 years of owner-operated open-pit mining and 2 years of reclamation; and,
- Pre-production capital cost of $109.4 million and life-of-mine ("LOM") sustaining capital costs totaling $8.3 million.

The following is a summary of the 2016 PEA as prepared by Tetra Tech, Inc. (overall project management, mining methods, mineral processing and recovery methods, project infrastructure, capital and operating cost estimates and economic analysis); Archer, Cathro & Associates (1981) Limited (project description and location, accessibility, history, geological setting, deposit types, exploration, drilling, sample preparation, data verification and adjacent properties); Giroux Consultants Ltd. (mineral resource estimate); Core Geoscience Services Inc. and Resource Strategies Ltd. (environmental studies, permitting and social or community impact); Blue Coast Metallurgy Ltd. (mineral processing and metallurgical testing); and Knight Piesold Consulting (tailings and waste rock management, including capital costs). For full technical details, reference should be made to the complete text of the 2016 PEA which is available under ATAC's Profile on SEDAR at www.sedar.com. The entire 2016 PEA is incorporated by reference into this AIF. Defined terms and abbreviations is used in the summary below and otherwise defined herein shall have the meanings ascribed to them in the 2016 PEA. **The following summary (as printed in italics) is a reproduction of the summary of the 2016 PEA and is qualified by reference to the 2016 PEA in its entirety. Readers are encouraged to review the 2016 PEA in its entirety.**

Summary of the 2016 PEA

"1.1 INTRODUCTION

ATAC Resources Ltd. (ATAC) retained Tetra Tech to prepare a National Instrument 43-101 (NI 43-101) preliminary economic assessment (PEA) for the Tiger Deposit (the Project) of the Rackla Gold Project (the RGP), located in Central Yukon, Canada. The effective date of this report is May 31, 2016 and the effective date of the Mineral Resource estimate is October 28, 2015.

1.2 PROPERTY DESCRIPTION

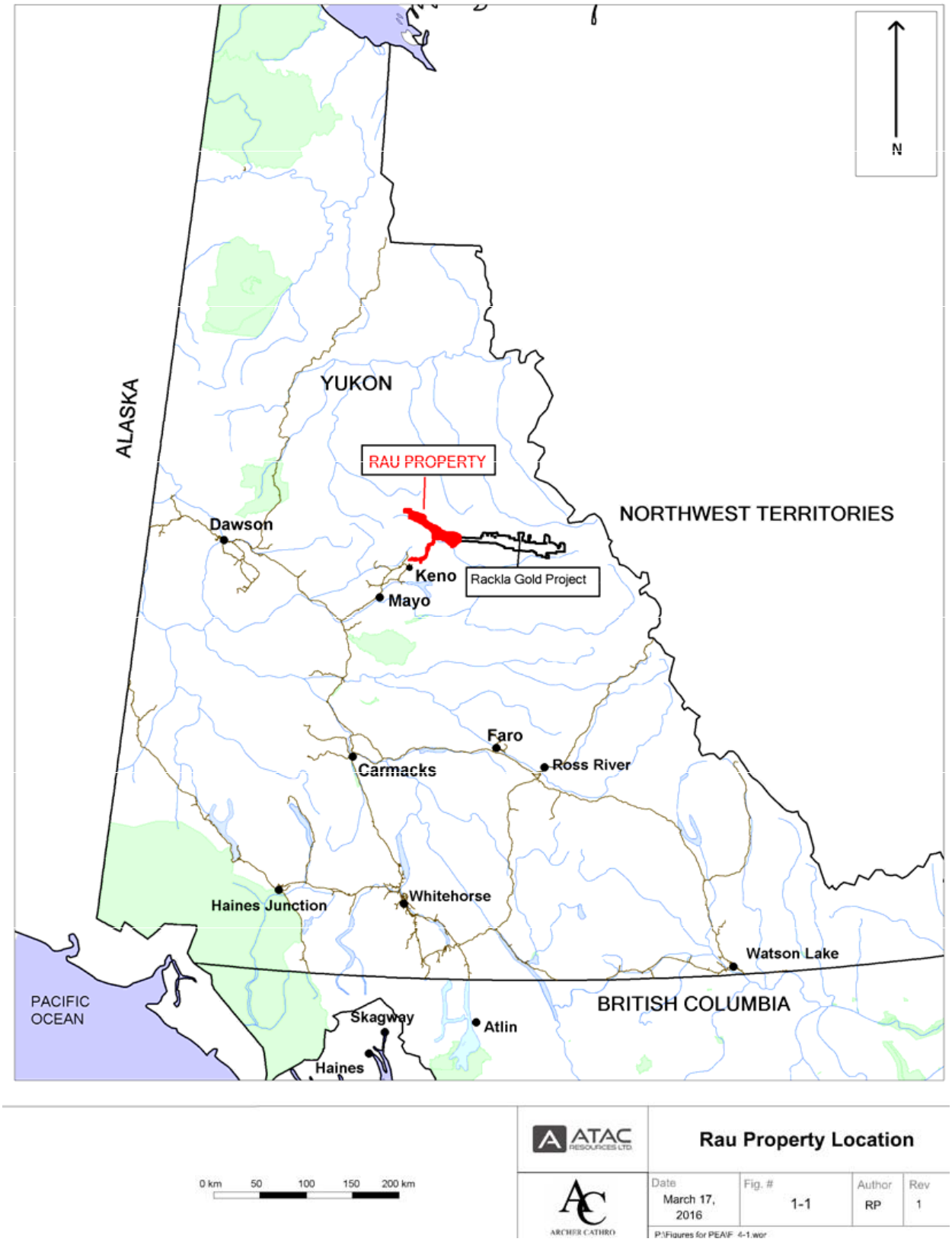
The Project is one of many mineralized showings within the Rau Property (the Property) and is the primary focus of this report. It is located in east-central Yukon, northeast of Mayo, and forms the western half of the RGP. The Property comprises 3,128 mineral claims that are 100% owned by ATAC, totaling 62,460 ha. There are no underlying royalties on the Property.

Access to the Property is currently via a 900-m airstrip, located 7.5 km southeast of the Project. The Wind River Trail, a winter road, starts at McQuesten Lake, near Keno City and crosses the central portion of the Property, 13 km west-northwest of the Project.

1.3 HISTORY

The earliest reported exploration in the area occurred in 1922, following the discovery of silver mineralization at Keno Hill. Prospectors first identified mineralization at Carpenter Ridge, located in the far northwest corner of the Property.

Figure 1.1 Project Location



A modest amount of work was completed on the Property between 1922 and 2006. This work mostly focused on silver and Mississippi-valley-type lead-zinc mineralization. ATAC initially staked 64 claims in 2006 to cover a drainage where an isolated high gold value was reported by a regional-scale stream sediment geochemical survey.

1.4 GEOLOGICAL SETTING AND MINERALIZATION

The Property lies within a band of regional-scale thrust and high-angle reverse faults that imbricate rocks of Selwyn Basin and Mackenzie Platform. The Tombstone, Dawson, and Robert Service thrust faults affect stratigraphy along the trend of the Property. All of the thrust faults verge north-easterly.

The Project is hosted within Ordovician to Silurian carbonates belonging to the Bouvette Formation, which is part of a thrust package bound to the south by the Dawson Thrust and to the north by the Kathleen Lakes Fault. Stratigraphic units within this package form open folds that are aligned parallel to the thrusts and plunge gently to the southeast.

The Rackla Pluton, a McQuesten Suite intrusion, is located 3 km southeast of the Project. This intrusion post-dates regional thrusting events and is thought to be the source of mineralization.

Carbonate replacement gold-mineralization at the Project is thought to be a distal variety of the reduced intrusion related gold deposit model. The Project is 700 m long, 100 to 200 m wide, and up to 96 m thick. Mineralization is developed within and adjacent to a regionally extensive corridor of highly-strained carbonate rocks.

Gold occurs in both sulphide and oxide facies mineralization. Sulphide mineralization is accompanied by, and developed within, limestone that is replaced by ferruginous dolomite and iron carbonate minerals. Sulphide species consist of disseminated to banded pyrite, with subordinate arsenopyrite and pyrrhotite, and minor bismuthinite and sphalerite.

Oxide mineralization is completely devoid of sulphide minerals and ranges from very competent, weakly porous limonitic mud to rubbly porous limonitic grit. Complete oxidation extends up to 150 m from surface. The highest-grade and deepest oxidation occurs where northerly trending extensional faults intersect the northwest trending regional shear structure.

1.5 EXPLORATION AND DRILLING

In 2006, ATAC staked 64 claims to cover the Rackla Pluton, and an anomalous drainage. Work in 2007 comprised geological mapping, prospecting, grid soil sampling, and airborne geophysical surveys.

A gold anomaly identified near the edge of the 2007 soil sample grid lead to the discovery of the Project and further expansion of the Property. Between 2008 and 2015, exploration on the Property primarily focused on the northwest trending package of favourable stratigraphy that hosts the Project.

Exploration to date includes the collection of 24,696 soil samples, 1,428 rock samples, and completion of airborne geophysical surveys and diamond drilling. Since 2008, this work has discovered sixteen new showings within the Property and identified many new geochemical anomalies that require additional follow-up work. All of the exploration programs on the Property were managed by Archer, Cathro & Associates (1981) Limited (Archer Cathro) on behalf of ATAC.

The Project has been the primary focus of exploration conducted on the Property to date. A total of 26,844 m of drilling in 150 holes has been completed here and forms the basis for the current Mineral Resource estimate.

1.6 MINERAL RESOURCE ESTIMATE

The Mineral Resource estimate was completed using 6,222 assays taken from 150 diamond drill holes, totalling 26,844 m. The effective date of this Mineral Resource estimate is October 28, 2015. A 3D solid model was constructed to constrain oxide and sulphide mineralization.

Gold distribution, within the mineralized solids, were examined using a lognormal cumulative frequency plot to determine appropriate capping levels. Three-metre composites were formed, honouring solid boundaries, using the capped assay data.

The Project Mineral Resource was estimated by Gary Giroux, P.Eng, MASc. Ordinary Kriging was used to interpolate gold and silver values into a block model. The search parameters were based on variography.

Mineral Resources are reported at a 0.5 g/t cut-off in oxides and 1.0 g/t cut-off in sulphides in Table 1.1. These cut-off grades were selected based on comparison to other analogous deposits.

Table 1.1 Combined Oxides and Sulphide Resource

Type	Classificati	Au Cut-off	Tonnes > Cut-off	Grade>Cut-		Contained	
				Au (g/t)	Ag (g/t)	Au (oz	Ag (oz
Oxides	Measured	0.50	2,600,00	3.10	4.77	259,100	398,700
	Indicated	0.50	1,720,00	2.47	4.10	136,300	226,700
Sulphide	Indicated	1.00	1,360,00	2.07	0.56	90,300	24,500
Total	M+I	-	5,680,00	2.66	3.56	485,700	649,900
Oxides	Inferred	0.50	280,000	1.52	5.67	13,700	51,000
Sulphide	Inferred	1.00	2,950,00	1.84	0.47	174,800	44,600
Total	Inferred	-	3,230,00	1.81	0.92	188,500	95,600

Note: Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definition standards (CIM 2014) were used for the Mineral Resource.

The author is not aware of any known environmental, permitting, legal, title, taxation, socioeconomic, marketing, political or other similar factors that could materially affect the stated Mineral Resource estimate.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

1.7 MINERAL PROCESSING AND METALLURGICAL TESTING

Mineral processing, metallurgical, and mineralogical programs have been ongoing on the Project since 2010. During this time nine programs were completed and reported on oxide and sulphide samples.

1.7.1 OXIDE STUDIES

Mineralogical work showed that the oxide samples were dominated by quartz and dolomite, with lesser goethite, talc, calcite, mica, and hematite. Knelson™ concentrator testing recovered 5 to 18% of the gold to concentrate, suggesting there is little coarse discrete gold. A single Bond Ball Mill Work Index (BWi) test showed the material to be very soft (BWi = 8.5 kWh/t).

Bottle roll testing was conducted using a variety of crush/grind sizes and leach conditions. Coarse bottle roll tests yielded gold recoveries of over 86% for crush sizes up to one inch. Fine bottle roll tests yielded similar results, averaging 88%. The effects of grind size and cyanide concentration on recovery were minimal.

1.7.2 SULPHIDE STUDIES

The sulphide zones comprise large but variable amounts of pyrite and arsenopyrite. Non-sulphide mineralization is dominated by carbonates, comprising a mixture of dolomite, ankerite, and calcite. Gold occurs both as solid-solution in sulphides and as discrete mineralization. In the samples studied, 10 to 20% of gold was hosted in pyrite, 23 to 59% in arsenopyrite, and 28 to 67% as discrete gold.

No formal grindability studies have been conducted on the sulphide material, which appears to be somewhat harder than the oxides.

Leach recoveries are highly variable, ranging from 13 to 97% in tests completed to date. As with the oxides, primary grind size had a limited effect on extraction rates.

Flotation testing recovered 82 to 97% of the gold. Pressure pre-oxidation of the concentrates (POX) followed by carbon-in-leach (CIL) extraction extracted 97 to 99% of the gold. Substituting the POX with bacterial oxidation (BOX) yielded CIL gold extractions of 92 to 93% and silver extractions of 71 to 82%. Reagent consumptions were high, especially for POX.

1.7.3 PROCESS SELECTION

Gold in the oxide zone of the Project is mostly free-milling, while in the sulphide zone it is both in free-milling and refractory form. Refractory gold is in solid solution within arsenopyrite, and to a lesser extent pyrite. The grades of solid-solution gold are generally too low for economic pre-oxidation processing at current prices. Accordingly, recoveries are limited by the presence of gold in discrete form, which is higher in the oxide material than in the sulphide.

The discrete gold, though mostly not amenable to gravity recovery, occurs in a way that allows for good cyanide access even at coarser crush sizes.

Column leaching, simulating the heap leach process, yielded excellent recoveries for oxide material. However, the material performed very poorly under compression and agglomeration was needed. Additionally, excessive amounts of cement were needed to make the agglomerates robust enough to resist compression. An engineering assessment of the heap leach option concluded that heap leaching would be risky and problematic for this material, so this option appears not to be viable.

Agitation leaching worked well for the oxides, and recoveries from oxide samples averaged close to 90%. Cyanide consumption rates were modest, but lime consumptions in treating the oxides were sometimes quite high.

The sulphides tended to float quite well with recoveries averaging 85% in the more refractory samples tested. While sulphide pre-oxidation by POX and BOX yielded high to very high gold extraction rates, the low grade of the sulphide concentrates renders such processing uneconomic at current gold prices.

Accordingly, for the sake of the current study, a circuit comprising grinding and agitation cyanide leaching for both the sulphide and oxide resources was envisaged.

1.8 MINING METHODS

The mining study is based on a nominal process capacity of approximately 1,500 t/d. The open pit mine will utilize a conventional truck-and-excavator fleet. Based on the geotechnical recommendations provided by Golder (2016), blasting will be performed on non-oxide rock only, while oxide material will be excavated directly by a hydraulic excavator.

Pit optimization and production scheduling were completed using the Measured, Indicated and Inferred Oxide and Sulphide Mineral Resources. The Project's total life-of- mine (LOM) is approximately eight years, including one year of pre-stripping followed by seven years of mill production. Mill feed during the last production year will come from the low-grade stockpile. Over the LOM, the pit will produce 3.2 Mt of mineralized material and 15.6 Mt of waste rock. The LOM average gold grade of the oxide and sulphide material is 4.06 g/t and 2.99 g/t, respectively. The LOM stripping ratio (defined as waste material mined divided by mineralized material mined) is 4.9.

1.9 RECOVERY METHODS

The proposed 1,500 t/d processing plant will utilize conventional crushing, grinding, cyanidation by carbon-in-pulp (CIP), and gold recovery from loaded carbon to produce gold doré from the Tiger mineralization. Although previous heap leach test work showed promising results from oxide mineralization, and extensive engineering studies were conducted using a combined heap leach and tank processing treatment to extract the gold from the mineralization, there are numerous potential technical risks and challenges associated with the heap leach option. Therefore, a conventional cyanidation circuit

consisting of grinding and agitated cyanide leaching for both the sulphide and oxide resources is proposed for this study.

The process plant will co-process two types of mineralization: oxide mineralization and sulphide mineralization. The overall design philosophy was to select proven equipment, with a simple and single line flowsheet that can be operated and maintained effectively in a cold environment.

A mineral sizer in the crushing circuit will reduce the run-of-mine (ROM) material to a particle size of approximately P80 120 mm.

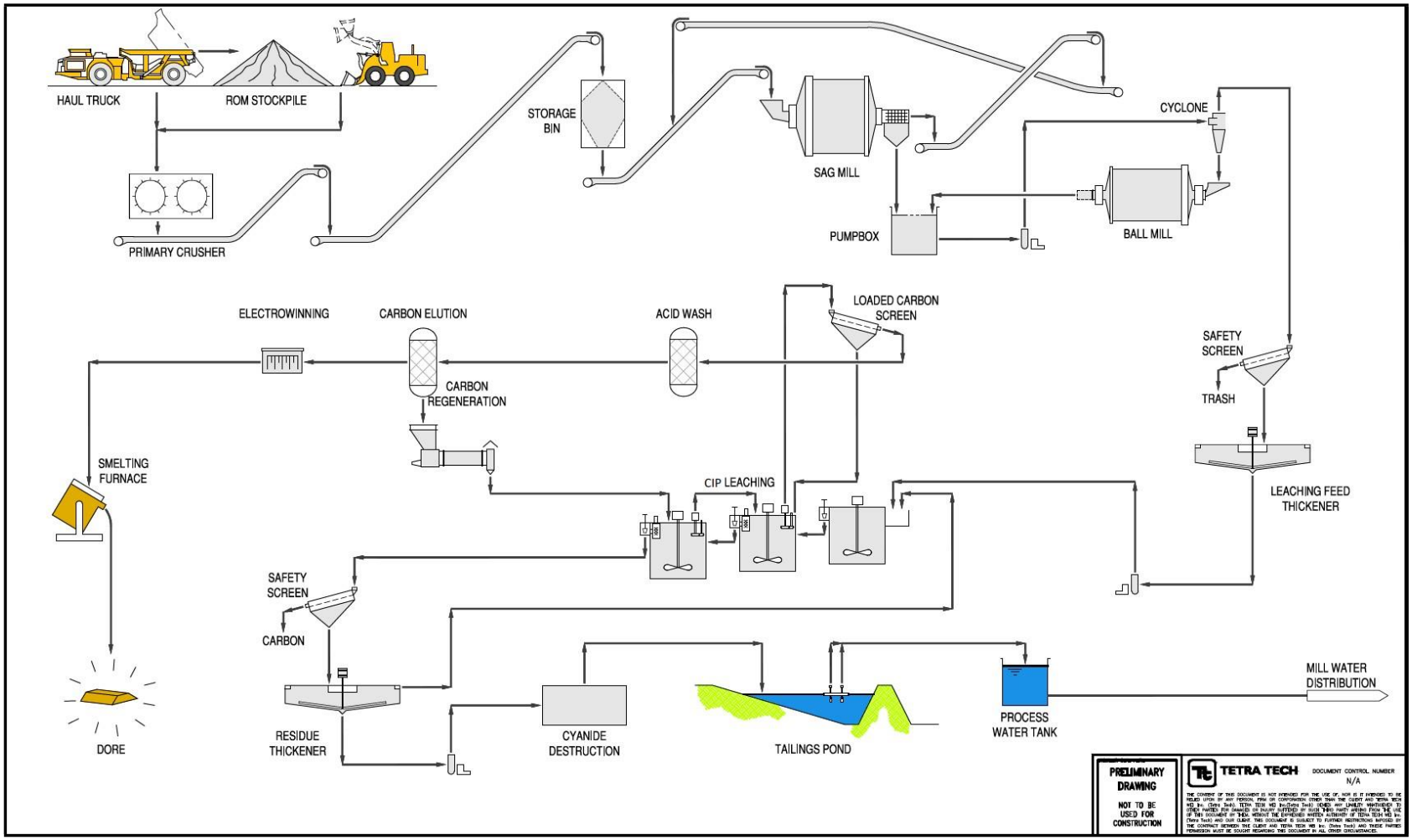
The crushed material will be transported by a conveyor to a 1,500-t surge bin and then reclaimed and fed to a primary grinding circuit consisting of a semi-autogenous (SAG) mill and a ball mill in closed circuit with hydrocyclones. The grinding circuit will further reduce the crushed mill feed to a particle size of P80 75 µm.

The hydrocyclone overflow from the primary grinding circuit will be thickened, and the underflow of the thickener will be diluted with process water to the optimum solid density, and then cyanide leached in a CIP circuit to recover the gold from the mineralization.

The loaded carbon from the CIP circuit will be washed with a diluted acid solution and eluted by a modified Zadra pressure stripping process. The gold in the pregnant solution will be recovered by electrowinning. The barren solution from the elution circuit will be circulated back to the elution/leach circuit. The gold sludge produced from the electrowinning circuit will be smelted to produce gold doré bullion that will be shipped off-site for refining.

The residue from the leach circuit will be thickened to recover the leach solution for reuse as process water in the cyanidation circuit. The thickener underflow will be sent to a cyanide destruction circuit employing a sulphur dioxide/air process to destroy the residual weak acid dissociable (WAD) cyanide. The treated residue slurry will be pumped to the lined tailings management facility (TMF) for storage.

The simplified flowsheet is shown in Figure 1.2. The average gold production to doré is estimated to be approximately 50,000 oz/a.

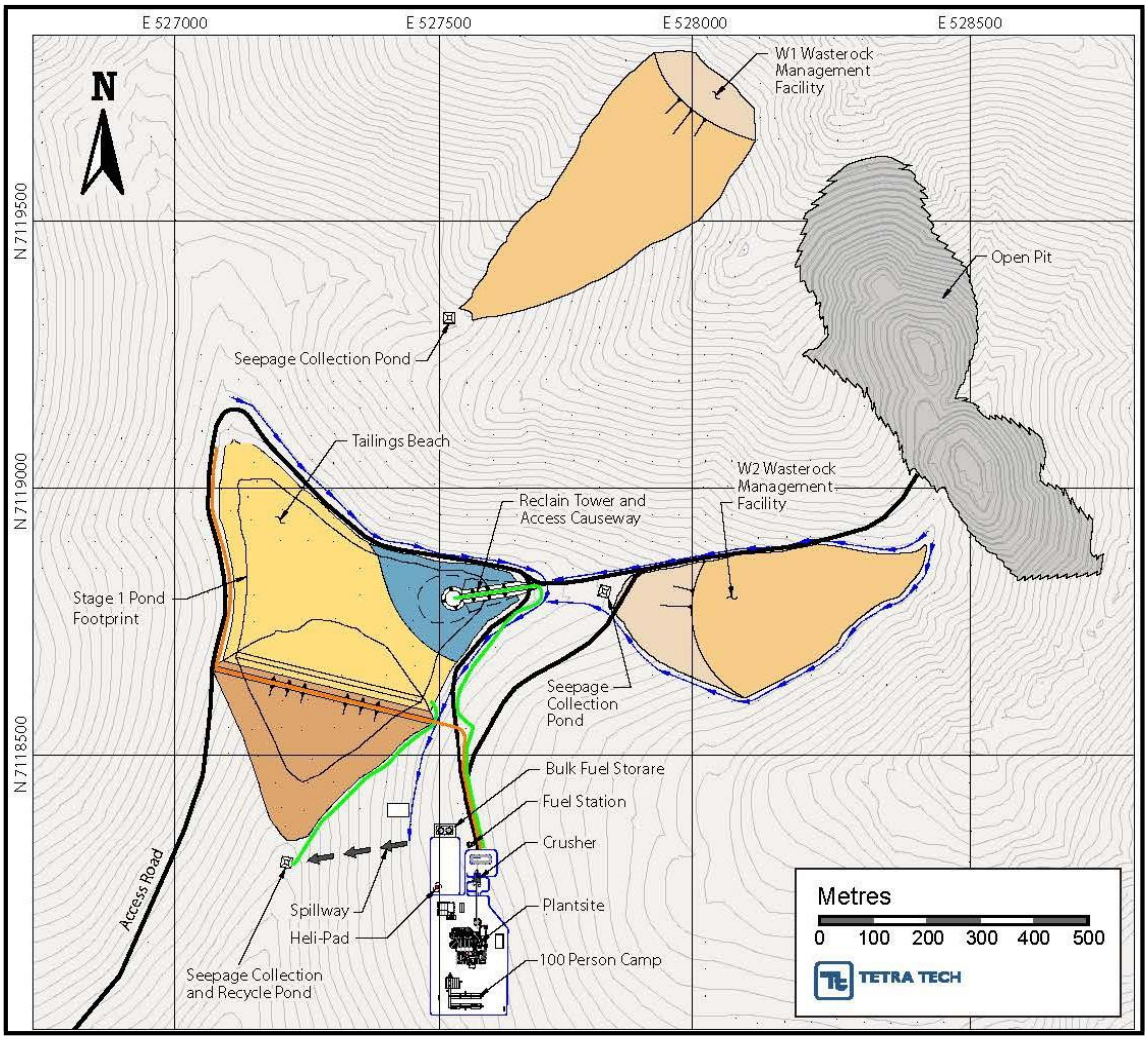

HAUL TRUCK
ROM STOCKPILE
PRIMARY CRUSHER
STORAGE BIN
SAG MILL
CYCLONE
PUMPBOX
BALL MILL
ELECTROWINNING
CARBON ELUTION
ACID WASH
LOADED CARBON SCREEN
SAFETY SCREEN
TRASH
CARBON REGENERATION
SMELTING FURNACE
CIP LEACHING
LEACHING FEED THICKENER
SAFETY SCREEN
CARBON
DORE
RESIDUE THICKENER
CYANIDE DESTRUCTION
TAILINGS POND
PROCESS WATER TANK
MILL WATER DISTRIBUTION
PRELIMINARY DRAWING
NOT TO BE USED FOR CONSTRUCTION
TETRA TECH
DOCUMENT CONTROL NUMBER
N/A

1.10 PROJECT INFRASTRUCTURE

The proposed on-site infrastructure for the Project will include:

- *a process plant*
- *a permanent camp*
- *an emergency vehicle building with vehicle maintenance shop and warehouse*
- *administration offices*
- *a laydown area*
- *power generation units*
- *main electrical substation and power distribution system*
- *potable and fire water storage and distribution system*
- *plant and camp sewage treatment facilities*
- *a laydown and container storage yard*
- *fuel storage and fueling station*
- *a TMF*
- *two waste rock management facilities (WRMFs)*
- *access and site roads.*

The general site layout of the Project is provided in Figure 1.3.


E 527000
E 527500
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N 7119500
N 7119000
N 7118500
N
W1 Wasterock Management Facility
Open Pit
Seepage Collection Pond
Tailings Beach
W2 Wasterock Management Facility
Reclain Tower and Access Causeway
Stage 1 Pond Footprint
Seepage Collection Pond
Bulk Fuel Storare
Fuel Station
Crusher
Plantsite
100 Person Camp
Spillway
Heli-Pad
Seepage Collection and Recycle Pond
Access Road
Metres
0 100 200 300 400 500
TETRA TECH

1.11 ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT

The Project is located within the Yukon Territory, approximately 143 km northeast of Stewart Crossing, 98 km northeast of the community of Mayo, and 55 km northeast of Keno City. The Project will be subject to an environmental and socio-economic assessment at the Executive Committee level under the Yukon Environmental and Socio- economic Assessment Act (YESAA), administered by the Yukon Environmental and Socio- economic Assessment Board (YESAB).

A year-round, all-weather access road will provide site access, and is being assessed/permitted separately to support advanced exploration throughout the district.

Baseline environmental studies were initiated in 2007 and are deemed adequate for this stage of project development. Environmental and baseline study gaps and areas requiring further development for future project development, assessment, and permitting stages have been identified.

A significant potential risk associated with the Project relates to permitting and environmental compliance; these potential risks are common with most mining projects and are mitigated to the greatest extent possible through technical studies, engineering, planning, and with proactive management.

The Project is located within the Traditional Territory of the First Nation of Nacho Nyak Dun (NNDFN). ATAC has developed a good working relationship with NNDFN and in January 2014 the parties renewed an Exploration Cooperation Agreement (ECA) which was first signed in 2010.

1.12 CAPITAL AND OPERATING COST ESTIMATES

1.12.1 CAPITAL COST ESTIMATE

The total estimated initial capital cost for the design, construction, installation, and commissioning of the Project is $109.4 million. A summary breakdown of the initial capital cost is provided in Table 1.2. This total includes all direct costs, indirect costs, Owner's costs, and contingency. All costs are shown in Canadian Dollars unless otherwise specified.

Table 1.2 Capital Cost Summary

Description	Cost ($000)
Overall Site	3,076
Open Pit Mining	13,050
Mine Dewatering	144
Materials Crushing and Handling	1,986
Process	29,683
TMF	7,893
On-Site Infrastructure	5,026
External Access Roads	11,063

Project Indirect Costs	*19,818*
Owner's Costs	*1,197*
Contingencies	*16,464*
Total Initial Capital Cost	***109,400***

1.12.2 OPERATING COST ESTIMATE

On average, the LOM on-site operating costs for the Project were estimated to be $66.59/t of material processed. The operating costs are defined as the direct operating costs including mining, processing, surface services, general and administrative (G&A), and freight costs (Table 1.3).

Table 1.3 LOM Average Operating Cost Summary

Area	*Cost ($/t milled)*
Mining	*21.75*
Process	*26.26*
TMF	*0.72*
G&A	*12.38*
Site Service	*3.80*
Camp and Genset Leasing Cost	*1.68*
Total Operating Cost	***66.59***

1.13 ECONOMIC ANALYSIS

A PEA should not be considered to be a prefeasibility or feasibility study, as the economics and technical viability of the Project have not been demonstrated at this time. A PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Furthermore, there is no certainty that the conclusions or results as reported in the PEA will be realized.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

An economic evaluation was prepared for the Project based on a pre-tax financial model. The following pre-tax financial parameters were calculated using the base case gold price of USD1,250/oz and an exchange rate of USD0.78:CAD1.00 (all currency units are Canadian dollars unless otherwise specified):

- *34.8% internal rate of return (IRR)*
- *1.85-year payback on $109.4 million initial capital*
- *$106.6 million net present value (NPV) at a 5% discount rate.*

ATAC commissioned PricewaterhouseCoopers (PwC) in Vancouver, British Columbia to prepare a tax model for the post-tax economic evaluation of the Project, with the inclusion of applicable income and mining taxes (see Section 22.5 for further details).

The following post-tax financial results were calculated:

- *28.2% IRR*
- *1.93 year payback on $109.4 million initial capital*
- *$75.7 million NPV at a 5% discount rate.*

Sensitivity analyses were conducted to analyze the sensitivity of the Project merit measures (NPV, IRR, and payback periods) to changes in gold price, exchange rate, operating costs, and capital costs. The Project's pre-tax NPV, calculated at a 5% discount rate, is most sensitive to exchange rate and gold price followed by on-site operating costs and capital costs. The Project's pre-tax IRR is most sensitive to exchange rate and gold price followed by capital costs and on-site operating costs. The payback period is most sensitive to gold price followed by exchange rate, capital costs and on-site operating costs.

1.14 RECOMMENDATIONS

It is recommended that the Project proceed to the feasibility level of study. The total cost for future recommended work is $4.65 million; Table 1.4 shows the cost breakdown by discipline.

Table 1.4 Recommended Costs for Future Work

Area	*Budget Amount ($)*
Geology and Mineral Resources	*900,000*
Geotechnical and Hydrogeological	*1,150,000*
Mineral Processing and Metallurgical Testing	*200,000*
Mining	*400,000*
Infrastructure	*1,500,000*
Environmental	*500,000*
Total	***4,650,000"***

It should be noted that the 2016 PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the 2016 PEA forecast will be realized or that any of the resources will ever be upgraded to reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Drilling of the sulphide portion of the Tiger Deposit in 2017 was designed to confirm grade and continuity of the sulphide resources and expand the areas of known sulphide mineralization. Eight drill holes targeted sulphide gold mineralization and all returned significant mineralized intercepts.

Drill holes RAU-17-151 through 156 targeted mineralization along the western edge of the existing sulphide resource, while holes 157 and 158 were drilled to add confidence to sulphide grade. RAU-17-156 returned 56.77 m of 4.08 g/t gold including 9.14 m of 8.07 g/t gold with the three phases of sulphide mineral development present in the hole. This hole demonstrates the continuous, high-grade potential of the sulphide mineralization where previous drilling was widely spaced.

Hole RAU-17-159 targeted near-surface oxide mineralization on the eastern side of the Tiger Deposit and returned a high-grade intersection of 51.82 m of 5.66 g/t gold.

Regional Rau Targets

Prospecting of targets regional to the Tiger Deposit was completed in 2017 as a way to advance and prioritize the many known gold and base metal targets along trend from the Tiger Deposit for future drilling. High grade gold was returned is prospecting grab samples from Condor (17.00 g/t gold and 9.46 g/t gold) and Panther (8.18 g/t gold, 6.35 g/t gold and 3.90 g/t gold) located 1.5 km and 3 km northwest of the Tiger Deposit respectively.

High-grade zinc, lead and silver mineralization, similar to that identified at the Ocelot Zone in 2011 (see ATAC news releases dated June 13 and September 13, 2011), has also been identified elsewhere on the Rau Project. Follow-up prospecting of the known mineralized targets between the Tiger Deposit and Ocelot in 2017 included a reassessment of the base metal potential of these target areas. The high-grade zinc, lead and silver results returned from the Condor (23.3% zinc), Panther (6.09% zinc), Cheetah (116 g/t silver and 1.34% zinc) and Now (456 g/t silver) targets highlight the multi-commodity potential of the district.

Two new mineralized target areas, Spotlight and Northwest target areas, were identified in the 2017 exploration program follow-up of anomalous gold and arsenic in soil. Spotlight returned values of 3.2 g/t gold, 1.17 g/t gold, 1.00 g/t gold 7,080 g/t silver and 4.63% copper. Northwest Target Area returned highlight samples containing 1.43 /t gold, 4.14% zinc, 3.46 5 zinc, 3.09% zinc and 1.98 % zinc. An updated Rau Project map highlighting the 2017prospecting results is available on ATAC's website.

Tiger Tote Road

Permitting and Consultation

Access to the Rau project and Tiger Gold Deposit, 55 km northeast of Keno City, would be by means of a tote road. The proposed tote road would branch off the Hanson Lake Road west of Keno City and is envisioned as a gated, single-lane (5 m wide) and radio-controlled road suitable for vehicles that support advanced exploration at the Tiger Deposit and throughout the Rau project. The total length of the tote road would be approximately 65 km and would consist of 51 km of new road and 17 km of upgraded pre-existing winter road.

Discussions related to access and the development of the Tiger Deposit with the First Nation of Na Cho Nyak Dun ("NNDFN"), local communities and other interested parties has been ongoing for more than seven years. Discussions in 2016 included several town meetings in Mayo and Keno City to present the tote road proposal. Details of these consultations can be found on ATAC's website.

On May 3, 2017, the Yukon Environmental and Socio-Economic Assessment Board ("YESAB") recommended to the Yukon Government and NNDFN that the Tiger Tote Road project be allowed to proceed with certain terms and conditions.

On March 5, 2018, the Company announced that a joint decision document was issued by the First Nation of Na-cho Nyak Dun and the Yukon Government allowing for the all-season access road project to the Tiger Deposit to proceed.

Environmental and Community Engagement

Since 2008, ATAC has completed comprehensive water, heritage, wildlife and fisheries studies related to the tote road permitting and consultation process. ATAC will continue environmental baseline work and ongoing studies as it advances the Tiger Deposit and other targets throughout the Rackla Gold property.

Community and First Nation engagement began in 2008, and an Exploration Cooperation Agreement with the NNDFN was signed in 2010. This Exploration Cooperation Agreement provides a framework within which exploration activities and environmental regulatory process on ATAC's Rackla Gold property have been and will continue to be carried out. The Rackla Gold property lies exclusively within the Traditional Territory of the NNDFN.

(ii) Ocelot Zone

In 2010 ATAC made a significant silver-lead-zinc-indium discovery at the Ocelot target located in the western portion of the Rau project. It is situated in lowlands 1.5 km west of the Wind River Winter Road and 15 km northwest of the Tiger Deposit.

A total of 4,918 m in 24 holes was drilled at Ocelot during 2010 and 2011. Mineralization consists of medium to coarse grained pyrite and varying concentrations of low iron sphalerite and medium to coarse grained galena. Sulphide mineralization occurs within a steeply dipping northeast trending fault that cuts an extensive dolomite sequence locally exhibiting structural and fluidized breccias. Drilling to date has identified mineralization over a 230 m strike length and to a depth of 150 m. Mineralization remains open downdip and possibly along strike to the northeast.

In 2012, ATAC completed geophysical and geochemical surveys on the Ocelot target. No subsequent exploration has been carried out on the Ocelot Zone since 2012. A summary of assays from the drilling to date at the Ocelot Zone is available on on ATAC's website at www.atacresources.com.

B. Dawson Gold Project

On August 19, 2016, ATAC sold its 50% interest in the Dawson Gold Project to Arcus Development Group Inc. ("Arcus"). As consideration, ATAC received 10,869,910 Arcus common shares and 5,000,000 share purchase warrants. The warrants may be exercised at a price of $0.20 at any time prior to August 19, 2021. ATAC also retained a 1% net smelter return royalty interest in any future production from any of the four properties.

During the period August 5 and September 2, 2017, Arcus completed a 20 hole (2,880 m) reverse circulation drill program at the Dan Man property, one of the four properties originally comprising the Dawson Gold Project. The Dan Man property is located immediately north and adjacent to the Goldcorp Inc. Coffee project in the White Gold District of Yukon Territory.

Results from 2017 drill program are available on the Arcus website (www.arcusdevelopmentgroup.com).

C. Rosy Property

ATAC holds a 100% interest in the Rosy property which covers a large system of gold-silver veins located in the Whitehorse Mining District of southern Yukon. Property-wide, helicopter-borne VTEM and magnetic surveys were flown during 2007 and soil geochemical surveys, prospecting and geological mapping were conducted in July 2008. This work identified two main areas of vein mineralization and a number of gold-in-soil anomalies.

ATAC carried out further soil sampling and prospecting in 2009 and identified additional weakly mineralized veins. In July 2010 Bonaparte Capital Corp. ("Bonaparte") conducted a two hole, 263 m diamond drill program. Results were disappointing and Bonaparte terminated its option on the property in December 2010. A small prospecting program was carried out in the early summer of 2016 and partially funded through the Yukon Mineral Exploration Program.

In December 2016 and April 2017, approximately 260 claims were added to the Rosy Property. The newly staked claims cover recently lapsed claims that surround the core of the Red Mountain Molybdenum Deposit owned by Tintina Mines Ltd.

ATAC conducted a small exploration program in June 2017 to follow up on favourable results from 2016 and to evaluate the newly staked ground. Approximately 50 rock samples, 50 silts and 750 soil samples were collected. Results are pending.

D. Connaught Property

The Connaught property is owned 100% by ATAC and is located in the Dawson Mining District in west-central Yukon. It lies immediately south of the Sixtymile placer gold camp, approximately 65 km west of Dawson City.

The property hosts a number of silver-lead-gold veins within a 13 by 5 km area of anomalous soil geochemical response which approximately coincides with a pronounced magnetic high. Although the area has good road access, follow-up work has been limited to trenching and a few drill holes along lightly vegetated ridge tops. Where exposed, the veins are typically 0.3 to 2 m wide and grade 100 to 2,000 g/t silver with 0.3 to 2 g/t gold and 3 to 60% lead. A 218 tonne bulk sample test completed by a previous operator in 2011 averaged 2,228.5 g/t silver and 60% lead.

ATAC staked 48 new claims adjacent to the Connaught Property to connect all claims and to cover prospective ground to the south. A small geochemical survey and prospecting program was conducted in July 2017. Results are pending

E. Panorama Property

ATAC holds a 100% interest in the Panorama property which consists of 36 mineral claims located in Dawson Mining District of west-central Yukon. The property is a bulk-tonnage gold prospect modelled on the former Brewery Creek Mine, 15 km to the west. Work in 2015 consisted of a helicopter borne geophysical survey. No work program was carried out during the 2017 exploration field season.

F. Idaho Creek Property

In 2006 ATAC staked the 58 claims comprising the Idaho Creek property in the Whitehorse Mining District in west-central Yukon. The property hosts gold and silver mineralization, geophysical anomalies and extensive soil geochemical anomalies, some of which were drill tested in 2006 and 2007 under the terms of an option agreement that was terminated in November 2007. Drill results were generally disappointing and accumulated costs were written-off by ATAC.

The property was held under option by a third party during the period January 2010 through November 2014. Work in 2015 consisted of a helicopter borne geophysical survey. No work program was carried out during the 2017 exploration field season.

5. DIVIDENDS

The Company has not paid any dividends on its common shares since its incorporation. The Company is not in production and has no revenues, and therefore has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the development of its business.

6. DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of Class A preferred shares with a par value of $1.00 each. As of December 31, 2017, the Company had 139,861,877 common shares and no preferred shares issued and outstanding, and 151,031,877 common shares and no preferred shares outstanding on a fully-diluted basis. As of May 29, 2018, the Company had 147,468,577 common shares and no preferred shares issued and outstanding, and 160,006,778 common shares and no preferred shares outstanding on a fully-diluted basis.

Each holder of common shares is entitled to receive notice of and to attend any meetings of the shareholders of the Company and is entitled to one vote in respect of each common share held at such time. Each holder of common shares is entitled to receive dividends, if any, as and when declared by the Board of Directors. Holders of common shares are entitled to participate equally in any distribution of the Company's net assets upon liquidation, dissolution or winding-up. There are no pre-emptive, retraction, surrender, redemption, repurchase for cancellation or conversion rights attaching to the common shares.

7. MARKET FOR SECURITIES

The Company's common shares are listed and posted for trading on Tier 1 of the TSX Venture Exchange under the symbol "ATC".

7.1 Trading Price and Volume

The TSX Venture Exchange reported the following closing price ranges and volumes traded in respect of the Company's shares in each month of the fiscal period (12 months) ended December 31, 2017:

TSX Venture Exchange Trading:

Month	High ($)	Low ($)	Volume
January 2017	0.485	0.345	6,445,174
February 2017	0.550	0.405	4,658,353
March 2017	0.480	0.375	4,219,826
April 2017	0.650	0.410	6,985,246
May 2017	0.610	0.500	2,878,529
June 2017	0.710	0.590	2,255,032
July 2017	0.640	0.465	2,249,157
ugust 2017	0.790	0.540	4,571,560
September 2017	0.890	0.660	4,429,649

October 2017	0.760	0.530	3,653,186
November 2017	0.570	0.455	2,082,286
December 2017	0.600	0.480	2,615,525

Source: TMX Market Data.

8. ESCROWED SECURITIES

To the best of the Company's knowledge, no securities of the Company are held in escrow.

9. DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holdings

The names and municipalities of residence, offices held with the Company and principal occupations of the directors and executive officers of the Company are listed below. All of the directors and executive officers are resident in Canada:

Name, Municipality of Residence and Position with the Company	Director Since	Principal Occupation During Previous Five Years
ROBERT C. CARNE[(1)(2)] Burnaby, British Columbia Director	October 15, 1998	Geologist; President and a Director of ATAC Resources Ltd. until June 2015, and a Director since then; President and a Director of Rockhaven Resources Ltd. until October 2015, and a Director since then
BRUCE J. KENWAY[(3)] Calgary, Alberta Director	June 9, 2004	Chartered Professional Accountant; Founding member and partner of Kenway Mack Slusarchuk Stewart LLP, Chartered Professional Accountants
GLENN R. YEADON[(1)(3)] Vancouver, British Columbia Secretary and Director	March 12, 2007	Barrister and Solicitor; associated in the practice of law (through a personal law corporation) with Tupper Jonsson & Yeadon, Barristers & Solicitors
DON POIRIER[(3)] West Vancouver, British Columbia Director	June 7, 2016	Director, Otis Gold Corp. and previously VP of Corporate Development for Hecla Mining Company
DOUGLAS O. GOSS, Q.C. [(1)] Edmonton, Alberta Chairman and Director	March 6, 2000	Barrister and Solicitor; Counsel with Bryan & Company LLP since July 1997
BRUCE A. YOUNGMAN[(2)] Powell River, British Columbia Director	June 10, 2010	Chairman of each of Strategic Metals Ltd. and Silver Range Resources Ltd. until October 2015; President and Chief Operating Officer of Canplats Resources Corporation from 2008 to 2010; currently a Director of each of ATAC Resources Ltd., Strategic Metals Ltd., Rockhaven Resources Ltd. and Silver Range Resources Ltd.

GRAHAM N. DOWNS Squamish, British Columbia President and Chief Executive Officer	N/A	Chief Executive Officer of ATAC Resources Ltd. since March 2007, and President since June 2015; Director of Trifecta Gold Ltd.
IAN J. TALBOT North Vancouver, British Columbia Chief Operating Officer	N/A	President, Chief Executive Officer and a Director of Arcus Development Group Inc.; Chief Operating Officer of each of ATAC Resources Ltd., Strategic Metals Ltd., Silver Range Resources Ltd. and Rockhaven Resources Ltd.
LARRY B. DONALDSON Port Moody, British Columbia Chief Financial Officer	N/A	Chartered Professional Accountant; Managing partner of Donaldson Grassi, Chartered Professional Accounts (through L.B. Donaldson Ltd., a professional corporation of which he is the President and owner)
JULIA LANE Vancouver, British Columbia Vice President of Exploration	N/A	Geologist; Partner with Archer, Cathro & Associates (1981) Limited
MATTHEW KEEVIL Vancouver, British Columbia Vice President of Corporate Affairs	N/A	Vice President of Corporate Affairs of ATAC Resources Ltd. since March 1, 2018 and previously the Western Editor of The Northern Miner

Notes:

(1) Member of the Corporate Governance and Compensation Committee.
(2) Member of the Technical Committee.
(3) Member of the Audit Committee.

The terms of office of the directors expire annually at the time of the Company's annual general meeting. The directors were elected, most recently, at the Company's annual general meeting held on May 23, 2018. The terms of office of the officers expire at the discretion of the Company's Board of Directors.

To the best of the Company's knowledge, as of May 29, 2018, all directors and executive officers of the Company, as a group, beneficially own or exercise control or direction over, directly or indirectly, 4,455,281 common shares, or approximately 3.02% of ATAC's issued and outstanding common shares. These figures are based on information provided to the Company by its directors and executive officers.

9.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; and/or

(b) was subject to an Order that was issued after the director or executive officer 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.

To the knowledge of the Company, no director or executive officer of the Company or shareholder holding a sufficient number of shares of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director or executive officer of any company (including the Company) 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

(b) has, within the ten years before the date of this AIF, 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 director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company or shareholder holding a sufficient number of shares of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities authority, or has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

9.3 Conflicts of Interest

Other than as discussed herein and/or the notes to the Company's financial statements, to the knowledge of the Company, no conflicts of interest exist or potentially exist between the Company and any director or officer of the Company.

10. PROMOTERS

To the best of the Company's knowledge, no person or company has been, within the two most recently completed years, or is during the current year, a "promoter" of the Company, as such term is defined under securities legislation.

11. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not the subject of, or party to, any legal proceedings that may be considered material to the Company, and is not and has not been subject to any penalties or sanctions imposed by a court or a securities regulatory authority.

12. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, no director or officer of the Company or shareholder holding a sufficient number of shares of the Company to affect materially the control of the Company has been

involved in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

13. TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Company's common shares is Computershare Investor Services Inc., through its offices located in Vancouver, British Columbia.

14. MATERIAL CONTRACTS

The Rights Plan disclosed in Item 3 is represented by a Shareholder Rights Plan Agreement dated June 24, 2014 with Computershare Trust Company of Canada. The Rights Plan was reconfirmed by an ordinary resolution of the Company's shareholders at the annual general and special meeting held on May 25, 2017.

As disclosed in Item 3, on August 2, 2016, the Company announced it had concluded an agreement with Arcus Development Group Inc. ("Arcus") pursuant to which Arcus would acquire the Company's 50% interest in the Dawson Gold Joint Venture, with the sale having been completed on August 22, 2016.

As also disclosed in Item 3, on April 10, 2016, the Company announced that it had entered into a number of transactions with Barrick Gold Corporation ("Barrick"), pursuant to which Barrick can acquire up to a 70% interest in the Orion Project, with Barrick also having acquired 16,684,800 common shares of the Company in a tax-assisted structured transaction that was arranged by PearTree Securities Inc.

Other than as set forth above and with respect to contracts entered into in the ordinary course of the Company's business, there are no contracts that may be considered material to the Company that have been entered into by the Company in the past fiscal year or subsequent quarters or that have been entered into by the Company in a previous fiscal year and are still in effect.

15. INTERESTS OF EXPERTS

The auditors of the Company are Davidson & Company LLP, Chartered Professional Accountants. Davidson & Company LLP report that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia, Canada. Davidson & Company LLP were appointed as auditors of the Company on September 9, 2009, and notice of this change pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* was filed on September 17, 2009. The predecessor auditor of the Company was Mackay LLP, Chartered Accountants, who performed the audit of the Company's financial statements for the year ended December 31, 2008 and preceding years.

Tetra Tech, Inc., in cooperation with Archer, Cathro & Associates (1981) Limited, Giroux Consultants Ltd., Core Geoscience Services Inc., Resource Strategies Ltd., Blue Coast Metallurgy Ltd. and Knight Piesold Consulting, prepared the 2016 PEA referred to herein, representatives of each of which is a qualified person under NI 43-101 and was independent of the Company as of the date of the 2016 PEA. Each held less than 1% of the outstanding securities of the Company or of any associate or affiliate of the Company when they prepared the 2016 PEA or following the preparation of the 2016 PEA. None of the aforementioned companies received any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of the 2016 PEA.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

Julia Lane, B.Sc., P.Geo., a geological consultant to and the Vice President of Exploration of the Company, is a “qualified person” responsible for the preparation, review and approval of certain technical disclosure in this AIF.

16. AUDIT COMMITTEE

Audit Committee's Charter

The text of the Company's Audit Committee Charter is attached as Appendix 1 to this AIF.

Composition of the Audit Committee

As at the date hereof, the members of the Audit Committee are: Bruce J. Kenway (Chair), Glenn R. Yeadon and Don Poirier. As defined in NI 52-110, each of Messrs. Kenway and Poirier is “independent” and Mr. Yeadon is not “independent”.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year did the Board of Directors of the Company decline to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

NI 52-110 provides that a member of the Audit Committee is considered to be “financially literate” if he 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 complexities of the issues that can reasonably be expected to be raised by the Company.

All of the members of the Company’s Audit Committee are considered to be “financially literate”, as that term is defined in NI 52-110.

Bruce J. Kenway is a chartered professional accountant who in 1986 became a founding member of Kenway Mack Slusarchuk Stewart LLP, Chartered Professional Accountants. He continues to practice as a partner with that firm. He has been a director of various reporting issuers for many years. He has chaired the Audit Committee for the Company since the Committee’s inception.

Glenn R. Yeadon is a barrister and solicitor in British Columbia, practicing mainly in the field of securities law. He has been associated in the practice of law with Tupper, Jonsson & Yeadon and predecessor firms since 1980. He obtained a Bachelor of Commerce from the University of British Columbia in 1975, and a Bachelor of Laws from the University of British Columbia in 1976. He has been a director and an officer of a number of reporting issuers for many years.

Don Poirier is a retired mining executive who previously worked with a mid-tier metals producer and prior to that, in the capital markets area as a mining analyst. He is also a graduate of the Institute of Corporate Directors – Director Education Program at the University of Toronto, Rotman School of Management, and a member of the Institute of Corporate Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on: (a) the exemption in section 2.4 (De Minimis Non-audit Services), or (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

The Company has relied on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter, a copy of which is attached as Appendix 1 to this AIF.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditor in each of the last two financial years for audit fees are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2017	$42,432	Nil	Nil	Nil
December 31, 2016	$40,290	Nil	Nil	Nil

17. ADDITIONAL INFORMATION

Additional information, including financial information, directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorized for issuance under equity compensation plans and interests of insiders in material transactions, if applicable, is contained in the Company's audited financial statements and accompanying Management's Discussion and Analysis for the year ended December 31, 2017, copies of which have been filed on SEDAR at www.sedar.com. For copies of such documents, please contact the Company at Suite 1016 – 510 West Hastings Street, Vancouver, British Columbia, V6B 1L8, Telephone: (604) 687-2522, Fax: (604) 688-2578.

APPENDIX 1

ATAC RESOURCES LTD.

(the "Company")

AUDIT COMMITTEE CHARTER

PURPOSE

The purpose of the Committee is to assist the Board in carrying out its responsibilities for the oversight and monitoring of the Company's financial reporting and controls.

POLICY STATEMENT

The Committee expects management of the Company to operate in compliance with the Company's corporate policies; with laws and regulations governing the Company; and to maintain strong financial reporting and control processes.

AUTHORITY

The Committee shall have the authority:

- to institute investigations of improprieties, or suspected improprieties, within the scope of its responsibilities,
- to inspect any and all books and records of the Company,
- to discuss with Company personnel, any affected party and the Auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate,
- to engage independent counsel and other advisors as it determines necessary to carry out its duties, and
- to access Company resources including administrative support to assist in carrying out its duties.

COMPOSITION

The Committee shall consist of at least three directors appointed by the Board.

The Board shall appoint the Chairman of the Committee.

At least one member of the Committee shall be an independent director and free from any relationship that in the opinion of the Board would interfere with his or her independent judgment as a member of the Committee.

A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

The Secretary or the Assistant Secretary of the Company shall be the secretary of the Committee.

MEETINGS

The Committee shall meet a minimum of four times a year at such times and places as may be designated by the Chairman of the Committee, and whenever a meeting is requested by the Board, a member of the Committee, the Auditors or a Senior Officer ("Senior Officer") of the Company. Meetings shall correspond

with the review of the Interim and Annual Financial Statements, MD&A, Press Releases and Reports to Shareholders.

Notice of each meeting of the Committee shall be given to each member of the Committee and to the Auditors, if applicable, who shall be entitled to attend each meeting of the Committee and shall attend whenever requested to do so by a member of the Committee.

Notice of a meeting of the Committee shall be in writing, stating the nature of the business to be transacted at the meeting in reasonable detail, be accompanied by copies of documentation to be considered at the meeting (to the extent practicable), and be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.

A quorum for a meeting of the Committee shall be a majority of the members of the Committee. However it shall be the practice of the Committee to require review and, if necessary, approval of all important matters by all members of the Committee.

A member of the Committee may participate in a meeting of the Committee by telephone, and such member shall be deemed to be present at the meeting.

In the absence of the Chairman of the Committee, the members of the Committee shall choose one of the members present to chair the meeting.

In the absence of the Secretary or the Assistant Secretary of the Company, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.

Minutes of all meetings of the Committee shall be signed by the Chairman of the Committee and the Secretary of the meeting. Such minutes shall be filed with the Secretary of the Company at the earliest opportunity after each meeting.

A resolution in writing, signed by all members of the Committee is valid as if passed at a meeting of the Committee.

The Committee shall, at the next regular Board meeting after each Committee meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

RELIANCE ON EXPERTS

In discharging their duties, each Committee member shall be entitled to rely in good faith upon:

- financial statements represented by a Senior Officer or the Auditors to present fairly the financial position of the Company in accordance with generally accepted accounting principles, and

- any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

LIMITATIONS ON COMMITTEE'S DUTIES

Each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this charter is intended,

or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the Company's responsibilities are being met and to enable the Committee to report thereon to the Board.

RELATIONSHIP WITH EXTERNAL AUDITOR

The Auditors shall be accountable to the Board through the Committee. The Auditors shall report all material issues or potentially material issues to the Committee.

RESPONSIBILITIES AND DUTIES

Charter

The Committee shall:

- prepare a written charter adopted by the Board setting out its mandate, responsibilities and duties, and
- assess on an annual basis the adequacy of the Charter.

Communications

The Committee shall:

- have direct, open and frank communications with management, other committee chairmen, the Auditors and other key committee advisors as applicable,
- if applicable, establish procedures for the treatment of complaints, if any, received by the Company regarding accounting, internal accounting controls or auditing matters, and
- if applicable, establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting and auditing matters.

Auditors

The Committee shall:

- select and recommend to the Board, the Auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company,
- consider and recommend to the Board the compensation of the Auditors,
- obtain from the Auditors a formal written statement concerning the Auditor's independence and review and discuss with the Auditors all disclosed relationships or services that could impact on their objectivity and independence,
- review the Auditors' annual audit plan, including scope, staffing, materiality and areas of special emphasis prior to the commencement of the audit,
- evaluate the performance of the Auditors and recommend to the Board the discharge of the Auditors when circumstances are warranted,
- pre-approve all non-audit services to be provided by the Auditors (except for any services prohibited by legislation) and consider the potential impact of such services on the Auditors' independence (subject to the DeMinimus Non-Audit Services and Delegation of Pre-Approval Function exemptions as such terms are defined in MI 51-110),
- review and discuss with the Auditors the results of their audit (upon completion of their audit and prior to the filing or releasing of the annual financial statements),

- review and resolve any disagreements and unresolved issues between management and the Auditors that could affect the financial reporting,
- review the extent to which recommendations made by the Auditors have been implemented, and
- meet separately with the Auditors in the absence of management at least once annually and discuss among other things any significant disagreements with management, any restrictions on the scope of work or access to required information, the susceptibility of a material misstatement in the financial statements due to fraud and the adequacy of the Company's accounting and financial personnel.

Financial reporting

The Committee shall:

- review the Company's Interim and Annual Financial Statements and related MD&A, Press Releases and Report to Shareholders, before public disclosure of this information, and recommend for approval by the Board if appropriate,
- review all public disclosure documents containing financial information derived from the Company's financial statements including any prospectuses, offering memorandums, business acquisitions reports, annual reports, annual information forms, MD&A and Press Releases, and if appropriate, recommend for approval by the Board,
- determine that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and annually review the adequacy of these procedures,
- in conjunction with the review of the Interim and Annual Financial Statements, review the following with management and the Auditors (if the Auditors have performed a review or audit of the financial statements):
  - critical accounting policies, changes in accounting policies and new accounting policies adopted by the Company,
  - alternative accounting policies that have been discussed with management and the policies preferred by the Auditors,
  - significant estimates made by management and the view of the Auditors as to the appropriateness of such estimates,
  - significant financial reporting issues that have arisen and the resolution or proposed resolution of such issues,
  - significant transactions outside the normal business of the Company,
  - related party transactions, and
  - new or proposed accounting pronouncements and regulatory developments and their relevance to the Company,
- review with management, the Auditors and if necessary legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material affect upon the Company's financial statements and the manner in which such matters have been disclosed in the financial statements,
- review any correspondence that the Company may receive from securities regulators or government agencies relating to financial reporting matters, and
- review the financial statement certification process.

Internal controls and risk

The Committee shall:

- review on an annual basis with management and in consultation with the Auditors the appropriateness and effectiveness of the Company's internal controls, policies and business practices which impact the financial integrity of the Company, including those relating to accounting, information systems, financial reporting, management reporting, insurance and risk management,
- consider and review with management any recommendations of the Auditors regarding weaknesses in internal controls and the extent to which recommendations made by the Auditors have been implemented by management,
- review the hedging and other risk management policies and procedures of the Company, and
- review with management the amount and terms of any insurance to be obtained or maintained by the Company with respect to risks inherent in its operations and potential liabilities that may be incurred by the directors or Senior Officers in the discharge of their duties and responsibilities.

Other

The Committee shall:

- review the status of the Company's tax returns,
- review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process,
- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former Auditors,
- if applicable, review and approve the reasonableness of the expenses of the Chairman of the Board and the Chief Executive Officer,
- develop a calendar of activities to be undertaken by the Committee for each ensuing year and submit the calendar in the appropriate format to the Board following each Annual General Meeting,
- review reports from management with respect to the Corporation's compliance with laws and regulations having a material impact on the Financial Statements including:
  (a) tax and financial reporting laws and regulations,
  (b) legal withholding requirements,
  (c) environmental protection laws and regulations, and
  (d) other laws and regulations which expose directors to liability,
- obtain certificates from Senior Officers containing such representations as the Committee may request, and
- perform any other activities consistent with the Charter, the Company bylaws and governing law, as the Board or the Committee deems necessary or appropriate.