Harfang Exploration Inc.

Management's Discussion and Analysis
Quarterly Highlights

Nine months ended October 31, 2019

The following quarterly highlights management's discussion and analysis (the "MD&A Highlights") of the financial condition and results of the operations of Harfang Exploration Inc. (the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for Q3-20.

The MD&A Highlights should be read in conjunction with the Corporation's unaudited condensed interim financial statements for the nine months ended October 31, 2019 prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as well as with the management discussion and analysis for the year ended January 31, 2019. All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on www.sedar.com. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
Q1-19	February 1, 2018 to April 30, 2018
Q2-19	May 1, 2018 to July 31, 2018
Q3-19	August 1, 2018 to October 31, 2018
Q3-19 YTD	February 1, 2018 to October 31, 2018
Q4-19	November 1, 2018 to January 31, 2019
Fiscal 19	February 1, 2018 to January 31, 2019
Q1-20	February 1, 2019 to April 30, 2019
Q2-20	May 1, 2019 to July 31, 2019
Q3-20	August 1, 2019 to October 31, 2019
Q3-20 YTD	February 1, 2019 to October 31, 2019
Q4-20	November 1, 2019 to January 31, 2020
Fiscal 20	February 1, 2019 to January 31, 2020

1. NATURE OF ACTIVITIES

The Corporation was incorporated on March 30, 2010 under the *Business Corporations Act* (British Columbia) and on June 22, 2017, in conjunction with a reverse takeover, continued under the Business Corporations Act (Québec). The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under symbol HAR. The Corporation's head office is 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada.

The Corporation, an exploration and evaluation stage company, is in the business of acquiring and exploring mineral properties in Canada. Its focus is currently on the exploration and evaluation of its mineral properties in the James Bay area in the Province of Québec for precious metals.

2. CORPORATE UPDATE

2.1 Financial Highlights

On March 20, 2019, the Corporation completed non-brokered private placements for aggregate gross proceeds of $1,452,880. Under such private placements, the Corporation issued 2,017,476 common shares at a price of $0.21 per common share, 2,014,034 flow-through common shares at a price of $0.30 per flow-through common share ("$0.30 FT Shares") and 1,214,286 flow-through common shares at a price of $0.35 per flow-through common share ("$0.35 FT Shares"). The $0.35 FT Shares were part of an arrangement through which Osisko Gold Royalties Ltd ("Osisko") became the ultimate owner of all the $0.35 FT Shares. Share issue expenses, including the finder's fees of $14,235, totaled $50,179. Certain directors of the Corporation purchased an aggregate of 95,000 $0.30 FT Shares for $28,500.

2. CORPORATE UPDATE (CONT'D)

On September 17, 2019, the Corporation closed a private placement consisting of 769,225 units at a price of $0.26 per unit for gross proceeds of $199,999. Each unit was comprised one common share and one half of one common share purchase warrant, with each warrant being exercisable into one additional common share for 24 months from the closing date of the private placement at an exercise price of $0.40 per common share. Share issue expenses totaled $15,521.

On December 16, 2019, the Corporation closed a private placement consisting of 800,000 units at a price of $0.25 per unit and of 1,414,893 flow-through common shares at a price of $0.30 per flow-through common share for an aggregate gross proceeds of $624,468. Each unit was comprised one common share and one half of one common share purchase warrant, with each warrant being exercisable into one additional common share for 24 months from the closing date of the private placement at an exercise price of $0.40 per common share. Finder's fees of $7,835 were paid. Certain directors of the Corporation purchased an aggregate of 10,000 units for $2,500 and an aggregate of 49,997 flow-through shares for $14,999.

The Corporation has working capital of $2,475,370 as at October 31, 2019, ($2,174,416 as at January 31, 2019). From this working capital, the Corporation has to dedicate $341,264 to Canadian mining properties exploration activities, pursuant to the terms of the March 20, 2019 flow-through financings and has to dedicate $19,981 of exploration work, pursuant to the September 17, 2019 financing with SIDEX, société en commandite. The Corporation completed all Canadian mining properties exploration activities, in accordance with the terms of the July 12, 2018 flow-through financings. The Corporation is constantly seeking financing or business opportunities.

The Corporation reported a net loss of $972,187 in Q3-20 YTD ($904,756 in Q3-19 YTD). The main variations are as follow:

- Exploration and evaluation expenditures, net of tax credits $847,426 ($661,822 in Q3-19 YTD) (see section on exploration activities).
- Stock-based compensation for $59,934 ($74,857 in Q3-19 YTD). On May 27, 2019, a total of 225,000 stock options (415,000 in Q3-19 YTD) were granted and their fair value was estimated at $51,975 ($91,900 in Q3-19 YTD). The options vested 100% at the grant date but a portion of the Q3-19 YTD grant fair value ($49,000) was accounted for according to its vesting period (1/3 on Q3-19 YTD and 1/3 per year thereafter).
- Consulting and professional fees for $134,413, office and administrative for $37,947, travel, conference and investor relations for $35,442 and filing fees for $27,223, for an aggregate of $235,025 ($284,438 in Q3-19 YTD). The Corporation reduced its expenses related to corporate activities. There was a reduction of consulting and professional fees specifically, in legal, audit and tax fees for the period, lower conference expenses and reduction of filing fees resulting by the termination of a contract with a consultant in Fiscal 19.
- Deferred income taxes recovery for $230,693 ($196,573 in Q3-19 YTD). This recovery represents mainly the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciations following the July 12, 2018 and March 20, 2019 private placements.

The Corporation reported a net loss of $385,327 in Q3-20 ($276,703 in Q3-19). The explanations for the main variations are the same as the Q3-20 YTD above.

On May 21, 2019 the Board of Directors of the Corporation has decided to extend until June 22, 2021 the expiry date of the 3,821,000 warrants issued in connection with a private placement closed on June 22, 2017. On June 7, 2019, the Exchange has approved such extension and on June 18, 2019, a supplemental warrant indenture was executed by the Corporation with Computershare Trust Company of Canada. The total cost of the warrant extension is $324,785 which has been recorded under warrants and the offsetting entry is recorded in the deficit. Warrants extension expenses totaled $3,833.

2.2 Use of funds following the qualifying transaction

In connection with its proposed qualifying transaction described in the June 14, 2017 filing statement, Harfang Exploration Inc., a private corporation with which the Corporation amalgamated as of June 22, 2017 as part of its qualifying transaction ("Harfang") had to complete a private placement to raise a minimum of $500,000 and a maximum of $3,100,000. Harfang completed a financing of $2,677,000 on June 22, 2017 ($1,910,500 of units and $766,500 of flow-through shares).

Following is a table summarizing the use of funds:

	Assuming completion of the minimum concurrent financing	Assuming completion of the maximum concurrent financing	Up to April 30, 2019
	$	$	$
Expenses payable in connection with the private placement	5,000	5,000	17,400
Costs related to complete the qualifying transaction	176,000	176,000	188,357
Exploration work	250,410	900,000	1,380,971
General and administrative expenses	262,645	262,645	961,391
Unallocated working capital	617,173	2,567,583	128,881
	1,311,228	**3,911,228**	**2,677,000**

As of April 30, 2019, the Corporation has used all the funds received during the 2017 qualifying transaction and is now using the funds received in a subsequent private placement.

3. EXPLORATION ACTIVITIES

	Q3-20	Q3-19	Q3-20 YTD	Q3-19 YTD
	$	$	$	$
Lake Ménarik				
Salaries and benefits	429	44,638	6,811	143,667
Geology	266	60,934	3,403	190,002
Analysis	2,592	6,197	2,698	8,224
Transportation	-	2,827	343	11,337
Lodging and food	180	4,973	245	19,364
Supplies and equipment	-	4,213	28	17,120
Taxes, permits and insurance	-	-	-	336
	3,467	123,782	13,528	390,050
Ménarik East				
Salaries and benefits	-	-	247	2,167
Geology	-	-	-	1,441
Transportation	-	-	-	5,680
Lodging and food	-	-	-	33
Supplies and equipment	-	-	-	256
	-	-	247	9,577
Serpent				
Salaries and benefits	57,475	21,645	180,085	37,123
Geology	141,147	73,398	218,338	117,043
Analysis	13,153	2,622	18,349	3,693
Transportation	3,948	1,232	61,920	5,337
Geophysics	-	-	85,000	-
Lodging and food	4,398	4,430	26,779	7,022
Supplies and equipment	2,182	1,393	30,356	3,402
Taxes, permits and insurance	24	-	24	-
	222,327	104,720	620,851	173,620

3. EXPLORATION ACTIVITIES (CONT'D)

	Q3-20	Q3-19	Q3-20 YTD	Q3-19 YTD
	$	$	$	$
Muskeg				
Salaries and benefits	-	940	-	18,171
Geology	-	-	-	3,660
Analysis	-	-	-	1,844
Transportation	-	72	-	3,201
Lodging and food	-	-	-	4,442
Supplies and equipment	-	181	-	2,189
	-	1,193	-	33,507
Lake Fagnant				
Salaries and benefits	1,994	-	4,095	3,713
Geology	674	262	952	10,695
Analysis	-	996	-	995
Transportation	-	-	-	3,249
Lodging and food	-	-	-	104
Recharge to partner	(1,601)	(755)	(3,028)	(11,089)
	1,067	503	2,019	7,667
Lake Aulneau				
Salaries and benefits	365	-	729	1,731
Geology	640	846	640	3,077
Geophysics	11,175	-	11,175	-
	12,180	846	12,544	4,808
Lake Tapiatic				
Salaries and benefits	24,634	-	44,568	-
Geology	26,175	-	40,283	-
Analysis	15,282	-	15,282	-
Transportation	2,149	-	3,295	-
Lodging and food	913	-	4,794	-
Supplies and equipment	970	-	4,568	-
	70,123	-	112,790	-
Generation				
Salaries and benefits	30,264	6,121	44,947	18,046
Geology	56,473	9,116	58,459	23,591
Analysis	14,352	407	14,352	661
Transportation	643	-	1,081	292
Lodging and food	1,478	-	1,478	3
Supplies and equipment	18	-	18	-
	103,228	15,644	120,335	42,593
Total				
Salaries and benefits	115,161	73,344	281,482	224,618
Geology	225,375	144,556	322,075	349,509
Analysis	45,379	10,222	50,681	15,417
Transportation	6,740	4,131	66,639	29,096
Geophysics	11,175	-	96,175	-
Lodging and food	6,969	9,403	33,296	30,968
Supplies and equipment	3,170	5,787	34,970	22,967
Taxes, permits and insurance	24	-	24	336
Recharge to partner	(1,601)	(755)	(3,028)	(11,089)
	412,392	**246,688**	**882,314**	**661,822**

Mr. François Goulet, M.Sc. P.Geo, President and Chief Executive Officer of the Corporation, a qualified person as defined by National Instrument 43-101 has verified the technical content in this section.

Below is a summary of the significant properties in which the Corporation has an interest.

3. EXPLORATION ACTIVITIES (CONT'D)

3.1 Lake Ménarik Property

Property Description

As at October 31, 2019, the Corporation owns a 100% interest on 110 claims totalling 5,653 ha in NTS Sheet 33F06. During Q2-20, 17 claims (874 ha) were added to the property. The property is located 45 km south of Radisson and 7 km northeast of the junction between the Transtaiga Road and the James Bay Road. Most claims of the Lake Ménarik Property are subject to a 2% net smelter return royalty which Osisko is retaining. The property is known for its gold potential associated with intermediate intrusions and structural lineaments.

Exploration work on the property

The Corporation progressed in the geological compilation and reinterpretation of the Lake Ménarik Property during Q3-20 YTD. A two-day field visit, also done during that period, helped better define the gold-bearing structures which could be latter tested by drilling. The Corporation is not planning work on the property during Q4-20 and is currently looking for a partner to develop and advance the project.

3.2 Ménarik East Property

Property Description

As at October 31, 2019, the Corporation owns a 100% interest on 64 claims covering 3,289 ha in NTS Sheet 33F06. This property, contiguous to the Lake Ménarik Property, is located 48 km southeast of Radisson. It is known for its chromium, platinum, palladium and nickel potential hosted in an ultramafic-mafic complex and gold potential associated with structural lineaments.

The Ménarik East Property exposes an ultramafic-mafic complex containing historical mineral resources in chromium, platinum, palladium, nickel and copper. These historical resources include 6.34 Mt @ 7.73% Cr_2O_3, 398 ppb Pd and 105 ppb Pt. These estimates do not refer to any category of mineral resources or mineral reserves of the NI-43-101 such as stated in the 2014 CIM Definition Standards on Mineral Resources and Mineral Reserves. These estimates are treated as historical information and have not been verified by the Corporation. The Corporation is not treating these historical estimates as current mineral resources. Several gold and polymetallic showings are located at the periphery of the complex, more specifically in close association with felsic intrusions and gabbroic dykes.

Exploration work on the property

The Corporation did a one-day field visit on the Ménarik East Property during Q2-20 and is re-evaluating the geological model which could lead to new drill targets on gold and polymetallic occurrences. No fieldwork is planned on the property during Q4-20. The Corporation is currently looking for a partner to develop and advance the project.

3.3 Serpent Property

Property Description

As at October 31, 2019, the Corporation owns 327 mining claims covering 16,922 ha staked by map designation in NTS sheets 33F02 and 33F03 referred to as the Serpent Property. During Q1-20, 32 claims (1,655 ha) were added to the property. The Corporation added another 11 claims (569 ha) during Q4-20. At the publication date of this report, the property is made up of 338 claims covering 17,492 ha. All of these claims, 100%-owned by the Corporation, are in the James Bay area, 90 km SSE of Radisson and 10 km east of the James Bay Road. The eastern limit of the Serpent Property is contiguous to the Sakami gold project (Quebec Precious Metals Corporation). Its western limit is adjacent to the Radisson Project (LaSalle Exploration Corp.). The Property is known for its Cu-Au-Ag (Mista) and Au (up to 15 showings) potential.

3. EXPLORATION ACTIVITIES (CONT'D)

Exploration work on the property

During Q1-20, Geo Data Solutions GDS Inc. flew a heliborne magnetic survey over the entire property. A total of 2,755 linear km was flown with nominal traverse and control line spacing at 75 m and 464 m, respectively. Ground clearance was 30 m. The Corporation published a press release in May 15, 2019 concerning the potential for Cu-Au-Ag around the Mista prospect as interpreted from magnetic features detected by the new survey.

During Q1-20, the Corporation planned the summer exploration phase on the property which began on June 3, 2019 and lasted 33 days (including mob/demob). The field crew composed of five people proceeded to prospecting and mapping in the vicinity of Mista, Viper and Langelier showings to detect lateral extensions of these mineralized occurrences. Large-scale prospecting also covered the southern part of the property. The Corporation's president and chief geologist joined the team for a brief period. A total of 311 outcrops and boulders was described and 329 rock samples (grab and channel) were collected during summer 2019. Another exploration phase, lasting nearly three weeks, was undertaken on September 9, 2019 as a follow-up to the summer program. The fall program combined two types of surveys. The first one, managed by the Corporation's team composed of five people, consisted in prospecting in specific areas of the property. The Corporation's chief geologist joined the team for a two-week period. The second type of survey consisted in a till program covering the southwestern part of the property. This latter survey was contracted to SL Exploration Inc. During that second program, a total of 170 rock samples (grab and channel) and 125 till samples were collected. All analytical results from rock samples have been submitted to the Corporation by ALS Minerals (Val-d'Or, Québec). Results from till samples submitted to Overburden Drilling Management Ltd. (Nepean, Ontario) are still pending.

On October 17, 2019, the Corporation published a press release disclosing the summer results which included the discovery of five new high-grade gold showings and the extension of the Mista mineralized trend which is at least 350 m long. Highlights from the summer program are listed below:

- Discovery of five high-grade gold showings:
  Lawr: Up to 186 g/t Au and 200 g/t Ag (grab); 9.79 g/t Au over 1.25 m (channel)
  Python: 20.5 g/t Au (grab)
  Cobra: 18.45 g/t Au (grab)
  Camp: Up to 11.5 g/t Au (grab)
  Boa: 3.02 g/t Au (grab);
- Mineralization in these showings occurs in quartz veins hosted in foliated tonalite and gabbro inside a newly identified structural domain [orogenic gold system];
- Extension of the Mista prospect (Cu-Au-Ag) for an additional 100 m towards northwest with 0.59% Cu, 0.25 g/t Au and 6.42 g/t Ag over 5.6 m and 0.59% Cu, 0.21 g/t Au and 7.66 g/t Ag over 2.05 m [intrusion-related system];
- The longest channel on the main trench (TR-SER-18-001) now grades 0.99% Cu, 0.20 g/t Au and 7.7 g/t Ag over 11.7 m, including 2.09% Cu, 0.45 g/t Au and 16.4 g/t Ag over 4.0 m.

On December 10, 2019, the Corporation published another press release disclosing the best results from the fall program. Gold was found at six new locations adding to previous discoveries for a total of 15 gold showings. These new results are spatially associated to pluri-kilometric deformation corridors suggesting a strong structural control of the mineralization. Besides gold occurrences, the property also hosts copper, silver, lead, zinc, molybdenum and tungsten showings together with significant bismuth anomalies. The fall highlights are given below:

3. EXPLORATION ACTIVITIES (CONT'D)

- Discovery of six new gold occurrences aligned into major structural corridors:
  Anaconda West: Up to 117.00 g/t Au, 6.6 g/t Ag and 0.10% Pb
  Anaconda East: 3.38 g/t Au
  Couleuvre: 38.40 g/t Au
  Reptile: 13.65 g/t Au
  SER-19-RO-060: 1.25 g/t Au
  SER-19-FH-159: 1.43 g/t Au.

Prior to the field interventions, letters were sent to specific members of the Wemindji Cree community (Chief, Deputy Chief, Local Fur Administrator, Tallymen) to inform them about the Corporation's summer and fall activities.

3.4 Muskeg Property

Property Description

As at October 31, 2019, the Muskeg Property, located in NTS sheet 33C01, is made up of 60 mining claims staked by map designation. These claims, covering 3,168 ha, are 100%-owned by the Corporation. The property is in James Bay on the south shore of the Eastmain Reservoir and approximately 60 km north of the Nemaska Cree Community. The Muskeg gravel road runs through the southern portion of the claims. Most of the rock units are part of the Anatacau-Pivert Formation included into the Lower Eastmain Group.

Exploration work on the property

The Corporation has not conducted fieldwork on the Muskeg Property during Q3-20 YTD and is not planning work on the property during Q4-20.

3.5 Lake Fagnant Property (joint venture)

Property Description

As at October 31, 2019, the Lake Fagnant Property is an aggregate of 90 mining claims totaling 4,437 ha located in NTS sheets 33N02 and 33N03. These claims were staked by map designation by the Corporation, Kenorland Minerals Ltd. ("Kenorland") and UrbanGold Minerals Inc. ("UrbanGold"). The property is located 55 km east of Whapmagoostui/Kuujjuarapik (Nunavik) and 155 km north of Radisson (James Bay). It covers the northwestern portion of the Archean Great Whale greenstone belt in the Minto Subprovince of the Superior Province. The property is known for its gold potential associated with structural corridors.

There are five mining claims subjected to a 1% net smelter return royalty (NSR) shared between Geotest Corporation (0.5%) and Wayne Holmstead (0.5%). Under the joint venture agreement, the initial respective participating interests of the participants are as follows: 40% for the Corporation, 40% for Kenorland and 20% for UrbanGold. The operator of the joint venture will be the Corporation for as long as its participating interest is equal to or greater than the others participants'. If the Corporation's or Kenorland's interest is diluted to less than 10%, it will be converted into a 1% NSR royalty on the Lake Fagnant Property. The operator will have the right to buy-back half of this royalty (0.5% NSR) for $500,000 or, under certain circumstances, the aggregate royalty (1% NSR) for $1,000,000. If UrbanGold's participating interest is diluted to less than 10%, then UrbanGold interest will be converted to a 0.5% NSR royalty on the Initial Claims. The operator will have the right to buy-back half of the NSR royalty (0.25% NSR) for $250,000 or, under certain circumstances, the aggregate royalty (0.5% NSR) for $500,000.

3. EXPLORATION ACTIVITIES (CONT'D)

Exploration work on the property

The Corporation has not done any work on the Lake Fagnant Property during Q3-20 YTD and is not planning fieldwork on the property during Q4-20. The Corporation, Kenorland and UrbanGold are looking for an additional partner to undertake exploration on the property.

3.6 Lake Aulneau Property

Property Description

As at October 31, 2019, the Lake Aulneau Property is composed of 139 mining claims totaling 6,532 ha located in NTS sheets 24C15, 24C16 and 24F02 (Nunavik). During Q3-19, five claims were added to the property. The Corporation added four more claims during Q4-20. At the publication date of this report, the Lake Aulneau Property is made up of 143 claims (6,720 ha). All of these claims, 100%-owned by the Corporation and staked by map designation, cover rocks belonging to the Labrador Through. The property is located 125 km south of Kuujjuaq and 265 km north of Schefferville. It is known for its copper, nickel, platinum and palladium potential hosted in mafic intrusions.

The property encompasses seven copper, nickel, platinum and palladium prospects and showings, namely Marymac I and II, Lepage, Island, Redcliff, Float, and Nine South. Historical resources were calculated from diamond drillholes completed in the 1970's and 1980's and published in previous exploration reports for four of the previously mentioned mineralized occurrences. They include 1,088,000 Mt @ 2.02% Cu, 0.45% Ni, 1.0 g/t Pt and 3.1 g/t Pd for the Lepage and Island zones combined, 1,068,000 Mt @ 2.09% Cu and 0.51% Ni for the Redcliff prospect, 930,000 Mt @ 1.60% Cu and 0.43% Ni for Marymac II, and 133,000 Mt @ 2.10% Cu and 0.43% Ni for the Float prospect. These estimates do not refer to any category of mineral resources or mineral reserves of the NI-43-101 such as stated in the 2014 CIM Definition Standards on Mineral Resources and Mineral Reserves. These estimates are treated as historical information and have not been verified by the Corporation. The Corporation is not treating these historical estimates as current mineral resources. Anomalous gold and silver values are locally associated to Cu-Ni-Pt-Pd occurrences.

Exploration work on the property

The Corporation has not done any fieldwork on the Lake Aulneau Property during Q3-20 YTD. A geoscientific compilation and geological reinterpretion mainly focussed on the most recent airborne geophysical surveys (2003 and 2011) were completed by Camille St-Hilaire (consultant) during Q3-20.

3.7 Acquisition of the Lake Tapiatic Property

Property Description

In Q2-20, the Corporation staked 146 mining claims by map designation totalling 7,430 ha in NTS sheets 33G12 and 33G13. This group of claims now forms the Lake Tapiatic Property which is 100%-owned by the Corporation. The property is located in the James Bay area, approximately 110 km east of the Radisson village and just 2 km north of the La Grande-3 hydroelectric powerplant. It is easily accessible all-year round by ground transportation. This new property, developed as part of the Corporation's project generation, is considered as highly prospective for gold and copper mineralizations.

3. EXPLORATION ACTIVITIES (CONT'D)

Dominant lithologies include highly folded wacke, paragneiss, iron formation and basalt forming one of the largest Archean volcano-sedimentary basins near the contact between the La Grande and Opinaca subprovinces. Three strong copper anomalies (>112 ppm Cu; >99.8 percentiles) in lake-bottom sediments were obtained in 1973 and 1974 surveys in the southern part of the property. No precious and/or base metal showing is yet known inside the limits of the property. Historical exploration was minimal and apparently guided towards the iron potential of the numerous oxide-facies iron formations found inside and outside of the property. A press release was published on June 12, 2019 regarding the acquisition of the Lake Tapiatic Property and its favorable geological architecture and structural features for hosting gold and base metals.

Exploration work on the property

The Corporation proceeded to its first prospecting program on the property in the second part of summer 2019. The field crew prospected several areas on the property from July 22, 2019 to August 9, 2019 (six people) and from August 17 to 23, 2019 (four people) (26 days). A total of 370 outcrops was described and 425 rock samples collected. The Corporation received all analytical results and the most significant results are expected to be disclosed in an upcoming press release.

A member of the Waskaganish Cree Community hired as an intern in geology during summer 2019 was part of the Corporation's team during the first field intervention.

Letters were sent to specific members of the Chisasibi Cree community (Chief, Deputy Chief, Local Fur Administrator, Tallymen) during Q2-20 to inform them about the Corporation's summer field activities.

3.8 Projects Generation

During Q3-20 YTD, the Corporation continued its geological compilation program for the acquisition of new strategic gold and base metal properties in Québec. Six of the new geological targets have been partially tested by prospecting during the summer and fall 2019 exploration programs. A total of 17 days was spent on these targets during Q3-20. Some 323 outcrops and boulders were described for a total of 336 rock samples.

The Corporation has received the complete analytical results of the rock samples and the most significant results are expected to be disclosed in an upcoming press release.

A member of the Waskaganish Cree Community hired as an intern in geology during summer 2019 was part of the Corporation's team during the field intervention on some of these targets.

4. CHANGE IN ACCOUNTING POLICIES

The accounting policies, methods of computation and presentation applied in the unaudited condensed interim financial statements for the nine months ended October 31, 2019 are consistent with those of the Corporation' previous financial year ended January 31, 2019, except for the adoption of a new accounting standard (IFRS 16, *Leases*), which is described below.

4. CHANGE IN ACCOUNTING POLICIES (CONT'D)

IFRS 16 *Leases* ("IFRS 16")

In January 2016, the IASB issued IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which is the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces IAS 17 Leases ("IAS 17"), and related interpretations. Save for short term leases and leases of low value assets, all leases result in the lessee obtaining the right to use an asset at the commencement of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize:

i) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
ii) depreciation of lease assets separately from interest on lease liabilities in the statement of income (loss).

Management has determined that the adoption of IFRS 16 on February 1, 2019 had no significant impact on the Corporation's financial statements.

December 17, 2019

(s) François Goulet	*(s) Yvon Robert*
François Goulet	Yvon Robert
President and CEO	CFO