GREAT BEAR RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2017

Dated May 30, 2017

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This management's discussion and analysis ("MD&A") for the three months ended March 31, 2017 is prepared by management on May 30, 2017 for Great Bear Resources Ltd. (the "Company" or "Great Bear") in accordance with International Financial Reporting Standards ("IFRS"). The MD&A should be read in conjunction with the Company's consolidated financial statements and related notes for the three months ended March 31, 2017 and the year ended December 31, 2016.

All amounts are in Canadian dollars unless otherwise specified.

Additional information is available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at **www.sedar.com.**

Forward-Looking Statements

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar and U.S. dollar, fluctuations in the prices of precious metals, base metals, and other commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the "Risk and Uncertainties" section of these MD&A for a discussion of some of the factors underlying forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

OVERVIEW

PRINCIPAL BUSINESS AND CORPORATE HISTORY

Great Bear Resources Ltd. is a publicly traded mineral exploration company listed on the TSX Venture Exchange ("TSX-V") under the symbol "GBR". The Company was incorporated under the Company Act (British Columbia) on December 6, 2001. On January 22, 2010, the Company changed its name from Great Bear Uranium Corp. to Great Bear Resources Ltd. Since August 2006, the Company's main business focus has been to acquire and explore mineral properties. To date, the Company has not earned any revenues from its mineral property interests and is considered to be in the exploration stage.

EXPLORATION AND EVALUATION ASSETS

For details of the resource properties' agreements refer to the Company's consolidated financial statements and related notes for the three months ended March 31, 2017 and the year ended December 31, 2016.

a) The BA Project, British Columbia

The BA Project is located 30 km east of Stewart, British Columbia, straddling paved highway 37A on the north flank of Cambria Peak, within the same stratigraphic horizon which hosts the Eskay Creek mine. The host rocks are part of the upper Hazelton Group of the Stikine terrain, which comprises a series of Middle Jurassic bimodal volcanics deposited in a back-arc basin. The zinc-lead-silver mineralization is part of an exhalative volcanogenic massive sulfide (VMS), base and precious metal mineralization system. The property geology is folded into a predictable synclinal-anticlinal fold pattern that facilitates modeling and exploration. The felsic volcanic stratigraphic horizon which hosts the VMS mineralization has been mapped over a strike length of approximately 12 km at the BA Property.

By agreement dated January 28, 2010, the Company entered into an Option and Joint Venture Agreement with Mountain Boy Minerals Ltd. ("Mountain Boy") to acquire up to a 70% interest in the BA Property and George Copper claims Property located in the Skeena Mining Division, Province of British Columbia. A positive feasibility study needed to be completed before the joint venture agreement can be entered into. The Company paid a finders' fee with the issuance of 55,000 common shares.

On October 25, 2010, the Company entered into an Amending Agreement to the Option and Joint Venture Agreement relating to the BA Property.

Under the amendment the Company could deliver, on or before December 31, 2013, written notice of their intention to fund the preparation of a feasibility study in respect of the property (not delivered); and could fund the preparation of a feasibility study on or before December 31, 2015 (previously 2013). In consideration of the above amendment the Company:

- included the Surprise Creek Property under the terms of the Joint Venture Agreement and acquisition costs for the Surprise Creek Property were borne entirely by the Company, and were applied against its earn-in requirement towards the BA Property; and

- any expenditures in excess of the exploration expenses contemplated in the original Option and Joint Venture Agreement but incurred prior to the Company electing to exercise the additional option, will be solely for account of the Company.

The Company earned an initial 50% interest in the BA Property by paying $158,000 and by incurring $5.5 million in exploration expenditures before December 31, 2013.

During the year ended December 31, 2014 management assessed the carrying value of the BA property, which had been impaired due to a prolonged decrease in the price of commodities including metals. Consequently, the Company recorded an impairment charge of $4,645,093 related to the BA property.

In October 2016, Great Bear amended its 50 – 50 interest in the BA and Surprise Creek properties. Separate Joint Venture agreements were signed for each property giving Great Bear operational control and casting vote on exploration decisions at BA and Mountain Boy Minerals Ltd. the same at Surprise Creek. Annual minimum work programs of $250,000 are now required on each property, to be paid for on a pro rata basis as per each company's ownership percentage, which at the time of signing was 50% in each property.

Great Bear completed a field investigation program at the BA project in 2016. Work included over 150 metres of channel sampling, targeting both recently deglaciated and previously mapped VMS-mineralized stratigraphy, and a comprehensive relogging, resampling, and review of drill core from the 15,000 metre, 82 hole drill program completed in 2010 by the Company. Mountain Boy also completed a channel sampling and mapping program at the Surprise Creek property that included characterization of the Ataman Zone, a VMS mineralized showing previously mapped and sampled by Great Bear in 2010.

On January 17, 2017, Great Bear announced that it has identified high grade polymetallic mineralization to be targeted in 2017, and expanded its 50% owned BA property through staking of an additional 469 hectares. The project now spans 25 claims totalling 10,247 hectares and includes strategic ground between the BA zone and highway 37A that is prospective for hosting extensions to mineralization. Great Bear completed a reconnaissance mapping and sampling program at the "Big Red" target, a broad area of relatively flat, deglaciated terrain showing widespread hydrothermal alteration 1.0 to 3.0 km to the north of Highway 37A.

Results are consistent with high grade polymetallic VMS feeder style mineralization controlled by generally southeast striking high-angle structures.

b) Surprise Creek Property, British Columbia

The Company owns 50% of the Surprise Creek Property subject to a 1% NSR, which may be purchased by the Company. Surprise Creek Property is located in the Skeena Mining Division in the province of British Columbia, and is comprised of 19 mineral claims totaling 7,472 hectares.

During the year ended December 31, 2014 management assessed the carrying value of the Surprise Creek property, which had been impaired due to a prolonged decrease in the price of commodities including metals. Consequently, the Company recorded an impairment charge of $214,540 related to the Surprise Creek property.

On February 2, 2017, Great Bear's 50% joint venture partner and operator of the Surprise Creek exploration program, Mountain Boy Minerals Ltd. announced drill results from Surprise Creek. Highlights of results in drill hole SC-2 include 4.31% zinc, 44.75 g/t silver, 0.33% copper and 67% barite across 4.58 metres.

Historic Drilling – Mountain Boy Minerals Ltd.

Between 2006 and 2008, Mountain Boy Minerals Ltd. ("Mountain Boy") conducted an extensive 89 drill hole program at the BA Project, defining what is known as the "Main" zone. Highlights of this program, taken from Mountain Boy news releases dated May 22, 2008, and September 29, 2009, include drill hole DDH-2007-BA-21 which intersected 3.05 metres returning 241.1 g/t silver, 0.11% lead and 1.24% zinc, and drill hole DDH-2008-BA-28, which intersected two separate high grade silver-lead-zinc intervals returning 13.1 metres of 136.5 g/t silver, 1.37% lead and 4.11% zinc, and 19.82 metres returning 146.81 g/t silver, 1.16% lead and 2.56% zinc.

Mountain Boy defined a largely continuous zone of semi-massive silver-lead-zinc rich mineralization of unknown true thickness with a 600 metre strike length.

2010 Drilling and Exploration

The Company conducted an extensive, 86 hole helicopter-based drill campaign in the summer of 2010, designed to test the true thickness of mineralization in the Main zone, and to extend its boundaries in all directions. Property wide prospecting work was also undertaken, leading to a number of new discoveries to the north, east and west of the Main zone. Highlights of drilling include extension of the known strike length of mineralization at the Main zone from approximately 600 to over 800 metres, and increase of the down dip width of the system by 100 to 200 metres, to roughly 300 to 400 metres depending on location.

Drilling 300 metres north of the Main zone in what is now referred to as the "North Extension", the Company discovered a silver-lead-zinc mineralized stockwork within previously untested subvolcanic andesite intrusion. Highlights include drill hole BA-2010-136, which returned 136 g/t silver, 0.63% lead and 0.53% zinc over 3.05 metres, 82 g/t silver, 1.06% lead and 1.20% zinc over 12.19 metres, and 62 g/t silver, 0.54% lead and 1.72% zinc over 3.05 metres within a 250+ metre wide VMS mineralized system.

Drilling in the North Extension ultimately defined a contiguous zone of intensely developed stockwork massive sulfide mineralization (the "Stockwork" zone). This new zone is open to the south in the direction of the Main zone, and open to the north in the direction of the Bod zone, with dimensions of approximately 350 by 300 metres.

A limited six hole reconnaissance drill program was completed at the "Bod" zone, a target located 900 metres to the north of the Stockwork zone within the North Extension. Silver-rich semi-massive sulfide mineralization was intersected over limited widths, with the best results coming from drill hole BA-2010-143 which returned 3.05 metres of 44 g/t silver, 0.51% lead and 1.44% zinc within a wider 21.33 metre interval returning 12.0 g/t silver, 0.14% lead and 0.56% zinc. Results at the Bod zone demonstrated that the silver rich VMS system at BA extends over greater than 2 kilometres from the Main zone to the Bod. Continuity of mineralization between all zones remains to be tested.

2011 Exploration

Great Bear mapped and sampled 9 new silver and locally gold - copper rich massive to semi – massive sulfide zones at the BA project. Grades at separate sample sites were up to 1080 g/t silver, with one zone of gold-silver-copper mineralization returning up to 9.66 g/t gold, 104 g/t silver and 2.38% copper.

The discoveries were identified from a preliminary reconnaissance prospecting – sampling program in newly explored areas close to road access. Three target areas were defined, the Big Red, Grand View and Nelson. Management is currently assessing its 2016 work plans for these areas.

2014 Carrying values

During the year management assessed the carrying value of the BA project, which had been impaired due to a prolonged decrease in the price of commodities including metals. Consequently, the Company recorded an impairment charge of $4,645,093 related to the BA project.

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c) Dixie Lake, Ontario, Canada

On November 20, 2015 the Company entered into an agreement to acquire the Dixie Lake mining claims in Ontario consisting of a 67% interest in 45 mining claims and a 100% interest in 4 newly staked mining claims.

In order to acquire the interest the Company must make the following cash payments and share issuances:

- $4,000 to be paid by November 2, 2015 (paid);
- $16,000 to be paid within 7 days of executing the acquisition agreement (paid);
- 20,000 shares to be issued within 30 days of the execution date of the acquisition agreement (issued);
- $20,000 to be paid on the first anniversary of executing the acquisition agreement (paid);
- $20,000 to be paid on the second anniversary of executing the acquisition agreement;
- $30,000 to be paid on the third anniversary of executing the acquisition agreement; and
- $40,000 to be paid on the fourth anniversary of executing the acquisition agreement.

On April 18, 2017, subsequent to the quarter-end, Great Bear announced the start of its 2017 exploration work and diamond drilling at Dixie Lake. A field program that includes the re-logging of historical drill core will be followed by a 1,000 metre drill program. Drilling will test continuity and strength of gold mineralization across approximately one kilometre of strike, down to vertical depths of approximately 100 metres.

d) West Madsen, Ontario, Canada

In November 2016, the Company signed a Purchase Agreement to acquire 100% ownership of the West Madsen gold project in the Red Lake Gold District of Ontario, whereby the Company must pay $70,000 cash ($12,000 paid) and issue 100,000 shares over four years. The property is subject to a 1.5% NSR, half of which can be bought for $500,000.

CORPORATE

On December 31, 2016, Mr. Tony Ricci resigned from the position of Chief Financial Officer ("CFO") due to other commitments but remains on the board as a director. Effective January 1, 2017, Mr. Robert Scott replaced Mr. Ricci as the Company's CFO.

SELECTED FINANCIAL INFORMATION

For the years ended December 31, 2016, 2015, and 2014 ($):

	2016	2015	2014
Total assets	1,938,539	970,808	1,119,788
Total liabilities	475,570	418,161	363,840
Write down of resource properties	69,172	9,773	6,054,257
Other income (loss)	17,075	1,122	9,261
Net loss for the year	(663,788)	(328,023)	(6,478,219)
Loss per share	(0.09)	(0.075)	(1.74)

By recent eight quarters ($):

	Other income (loss)	Net loss	Loss per share
March 31, 2017	1,151	(91,514)	(0.01)
December 31, 2016	17,000	(178,149)	(0.01)
September 30, 2016	-	(306,014)	(0.04)
June 30, 2016	75	(135,089)	(0.03)
March 31, 2016	-	(61,611)	(0.015)
December 31, 2015	(2,325)	(110,153)	(0.02)
September 30, 2015	(9,713)	(72,793)	(0.02)
June 30, 2015	2,681	(67,955)	(0.02)

Other income of $17,000 during the quarter ended December 31, 2016 was relating to an amount owing to a director that was forgiven. The net loss for the quarter ended September 30, 2016 was higher, compared to the same period of the previous year, mainly due to the non-cash share-based compensation relating to the options granted during the period. The net loss for the quarter ended June 30, 2016 was due to the ongoing costs of the business and an impairment of Lac Pau Property.

RESULTS OF OPERATIONS

Three months ended March 31, 2017 and 2016

For the three months ended March 31, 2017, operating expenses totaled $92,665 and net loss was $91,514. The Company had $61,611 in operating expenses and a net loss of $61,611 for the three months ended March 31, 2016.

Other than the increase in consulting fees and travel, promotion and shareholder information during the period, the overall net loss for the quarter ended March 31, 2017 was about the same compared to the same period of the previous year, and was primarily due to the ongoing costs of the business. Consulting fees increased due to more number of consultants involved during the period. Office and administration decreased mainly due to the Company preserving available resources. Travel, promotion and shareholder information increased due to marketing during the period.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital was $267,747 as at March 31, 2017 (December 31, 2016 - $407,623). The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. At March 31, 2017, the Company had cash of $636,654 (December 31, 2016 - $765,976) to settle current liabilities of $459,586 (December 31, 2016 - $475,570). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

RISKS AND UNCERTAINTIES

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations of metal prices, the proximity and capacity of milling facilities, mineral markets, processing reagents and equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital. Please refer to the MD&A for the year ended December 31, 2016 for more details discussion of such risk factors.

OUTSTANDING SHARE DATA

Issued and outstanding common shares:

	Number	Amount
Balance as at December 31, 2015	4,329,000	$ 14,110,162
Shares issued for resource properties, net of share issue costs	60,000	10,000
Shares issued in private placement, net of share issue costs	7,805,966	901,339
Balance as at December 31, 2016 and May 30, 2017	12,194,966	$ 15,021,501

On June 1, 2016, the Company retrospectively consolidated its share capital on the basis of one post consolidated common share for every five pre consolidated common shares held.

On July 18, 2016, the Company completed a non-brokered private placement and issued a total of 3,005,966 units at a price of $0.15 per unit for gross proceeds of $450,895. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.20 per share for a three-year period. The common share purchase warrants will be subject to acceleration at the Company's discretion in the event the Company's common shares trade in a volume-weighted average price basis of $0.30 per share for a period of 10 consecutive trading days.

On September 16, 2016, the Company completed a non-brokered private placement and issued a total of 4,800,000 units at a price of $0.20 per unit for gross proceeds of $960,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at $0.27 for a two-year period. The share purchase warrants will be subject to acceleration at the Company's discretion in the event the Company's common shares trade on a volume-weighted average price basis of $0.40 per share for a period of 10 consecutive trading days.

STOCK OPTIONS

The Company has adopted an incentive stock option plan (the "Option Plan") dated September 30, 2010 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors.

As at the date of this MD&A, the following stock options are outstanding and exercisable:

Options Outstanding	Options Exercisable	Exercise price	Weighted Average Remaining Life (in years)	Expiry date
17,000	17,000	$ 2.50	0.13	July 17, 2017
145,000	145,000	$ 0.75	1.32	September 25, 2018
16,000	16,000	$ 0.75	1.80	March 18, 2019
1,000,000	1,000,000	$ 0.23	4.26	September 1, 2021
40,000	40,000	$ 0.24	4.35	October 5, 2021
1,218,000	**1,218,000**		**3.82**	

WARRANTS

As at the date of this MD&A, the following warrants are outstanding and exercisable:

Warrants Outstanding	Warrants Exercisable	Exercise price	Remaining Contractual Life (in years)	Expiry date
600,000	600,000	$ 0.50	1.32	September 25, 2018
275,900	275,900	$ 0.40	0.28	September 8, 2017
3,005,966	3,005,966	$ 0.20	2.13	July 18, 2019
4,800,000	4,800,000	$ 0.27	1.30	September 16, 2018
8,681,866	**8,681,866**		**1.56**	

COMMITMENTS

a) Plan of Arrangement - Madalena Ventures Inc.

In March of 2006, the Company entered into an agreement with Madalena Ventures Inc. ("Madalena"), a public company listed on TSX Venture Exchange, in which Madalena agreed to distribute its mineral exploration business and certain marketable securities associated with the business to the Company. Each shareholder of Madalena received one-fifteenth of a common share of the Company for each common share of Madalena owned by such shareholder at August 22, 2006. The Company assumed all of Madalena's obligations in respect to a dividend in specie declared by Madalena on November 15, 2004, which was payable in the form of Planet Mining Exploration Inc. ("Planet") shares. The remaining 962,861 Planet shares and the dividend obligation that were transferred to the Company as part of the Arrangement are not included in the Company's balance sheet as the shares are held trust by the Company for shareholders of Madelena at the declaration date. As at December 31, 2015, the Company held 962,861 Planet shares for distribution.

The dividend entitlement still exists, but will ultimately expire pursuant to the provisions of the Unclaimed Property Act (B.C.), after which any unclaimed Planet shares (or any cash realized from their disposition prior to then) will become the property of the Company. As these Planet shares are held in a trust account for distribution to eligible shareholders, the shares have been derecognized from the Company's balance sheet.

b) Lease

During the year ended December 31, 2014, the Company signed a lease agreement, and then sublet the premises effective July 1, 2016 to the end of the lease term, February 29, 2020.

RELATED PARTY TRANSACTIONS

Amounts paid and accrued to directors, officers and companies in which directors and officers are shareholders and employees during the year then ended are as follows:

	March 31, 2017	March 31, 2016
Management and consulting fees	**$ 14,250**	$ 24,696
Property investigation	**-**	5,000
Geological fees capitalized to resource properties	**26,250**	4,250
	$ 40,500	$ 33,946

As at March 31, 2017, $31,570 (December 31, 2016 - $42,725) is payable to various officers and directors of the Company.

OFF- BALANCE SHEET TRANSACTIONS

The Company has not entered into any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, investments in equity instruments, receivables, and accounts payable and accrued liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related to risks. The Board approves and monitors the risk management processes:

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company maintains its cash with high-credit quality financial institutions, thus limiting its exposure to credit risk on such financial assets.

As at March 31, 2017, the Company's receivables consist of $32,380 (December 31, 2016 - $26,561) from Canada Revenue Agency. Receivables from third parties and related parties are periodically reviewed by management. Currently, there is no indication that the above amounts are not collectible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash are available on demand for the Company's programs, and are not invested in any asset backed commercial paper.

Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash, and restricted cash as they are generally held with large financial institutions.

Price Risk

Investments in equity instruments, classified as at fair available-for-sale financial assets, are listed on public stock exchanges, including TSX-V and OTC-QB. Recently, the markets have experienced extreme volatility. Therefore, sensitivity analysis is performed using 15%. For such investments, a 15% increase in equity prices as at March 31, 2017 would have increased investments in equity instruments by $1,480. An equal change in the opposite direction would have had the equal but opposite effect on the amounts shown above.

CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-form prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. There were no changes in the Company's approach to capital management during the year. In the management of capital, the Company includes the components of shareholders' equity, as well as cash. As at March 31, 2017, the Company is not subject to externally imposed capital requirements.

DISCLOSURE CONTROLS AND PROCEDURES

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the consolidated financial statements and MD&A as at March 31, 2017. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the filings. The disclosure controls and procedures are effective in ensuring that information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including its CEO and CFO, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override to the future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at **www.sedar.com**