Management's Discussion and Analysis

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Niocan ("Niocan" or the "Company") is a narrative explanation, through the eyes of Niocan's management, on how the Company performed during the three-month and the twelve-month periods ended December 31, 2018 as compared to the three-month and the twelve-month periods ended December 31, 2017.

This MD&A supplements the audited financial statements for the period ended December 31, 2018. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations. All amounts in this MD&A are in Canadian dollars unless otherwise indicated. This MD&A contains information available as at the disclosure date.

The Company's headquarters are located in Montreal, Canada. Niocan is listed on the TSX Venture Exchange ("TSX-V") under the symbol NIO. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Responsibility of Management and the Board of Directors

Management is responsible for the information disclosed in this MD&A and the audited financial statements and accompanying notes, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. Niocan's Board of Directors has approved this MD&A and the audited financial statements and accompanying notes. In addition, Niocan's Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by Niocan and has reviewed this MD&A and the audited financial statements and accompanying notes.

Forward Looking Statements

This document contains forward-looking statements, which reflect the Company's current expectations regarding certain future events. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Niocan, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

For information identifying known risks and uncertainties, relating to the issuance by the Ministry of Sustainable Development, Environment and Fight against Climate Change ("MDDELCC") of the Certificate of Authorization ("CA") to build the mine in Oka, financial resources, market prices, exchange rates, politico-social conflicts, competition, the purchase of the old St-Lawrence Columbium mine site from the Municipality of Oka should the CA be issued, and other important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk and Uncertainties Section of this Management's Discussion and Analysis. Consequently, actual results may differ materially from the anticipated results expressed in these forward-looking statements.

Corporate Overview

Niocan's mission is to become a ferroniobium producer as soon as possible, following the issuance of a CA from the MDDELCC. In the long term, the Company plans to recover some by-products from the ore mineral resources and produce ferroalloys, as well as other related products. The Company has no significant income at this stage.

The Oka project involves the development of a mining complex based on an underground mine, a concentrator and a converter to produce ferroniobium. The project has completed all exploration phases, including two drilling campaigns in 1995, 1996, and 1997 for a total of 22,204 meters, to define two resource ore bodies: the S-60 and the HWM-2 (historical resources). Numerous metallurgical concentration tests and analyses were undertaken throughout the exploration period. These tests, on the various mineralized facies of the principal resource mineral prospect, the S-60, allow for the development of an optimal pyrochlore recovery process. Pyrochlore is the niobium-bearing mineral.

In 2004, Niocan acquired a property with three mineral prospects (historical resources) of magnetite ore, located near the Great Whale River (the “Great Whale Iron Property”).

Management is currently working to obtain all the required permits and authorization to develop the Oka property. Niocan is of the view that its project will eventually bring significant financial returns to the local parties involved and it hopes to work with the community to eventually build a mutually beneficial project.

Management is also pursuing financing activities to get the CA in Oka and initiate exploration activities in Great Whale Iron Property.

Major event

The Company amended its secured subordinated debentures to consider the extension of the maturity date until March 31, 2019, and subsequently until October 31, 2019.

Results of Operations

Summary

	For the 12-month periods ended December 31,	
	2018	2017
	$	$
Revenues	**10,800**	7,242
Expenses	**298,155**	330,624
Gain on settlement of short-term liability	**—**	(48,574)
Net finance expenses	**201,347**	175,518
Net loss and comprehensive loss	**(488,702)**	(450,326)
Basic and diluted net loss per outstanding share	**(0.02)**	(0.02)
Weighted average number of outstanding shares	**25,979,868**	25,979,868

Oka Niobium Project

The Company has for many years been awaiting the receipt of a CA from the MDDELCC which would allow it to exploit its Oka mine project. The Company considers that it has produced all information required by the MDDELCC for the issuance of a CA; however, in spite of the Company’s repeated attempts to obtain an indication from the MDDELCC as to its intentions relatively to the CA, the Company has not received conclusive information to this effect. During 2010, the Company met with different stakeholders in the Oka region to obtain additional support to convince the MDDELCC to issue the CA, which would allow the Company to build its underground Niobium mine in the Ste. Sophie range of Oka, Quebec as soon as possible. In February 2010, representatives of the Company met with representatives of the Deputy Minister of Sustainable Development, Environment and Parks to further discuss the issuance of the CA. While the Company believes that this meeting was constructive and positive, the Company has not received further information as to if and when the CA will be issued by the MDDELCC.

During the fourth quarter of 2009, Niocan granted a mandate to Met-Chem for the formal update of the capital/operating costs of the projected mine complex in Oka. This project was completed during the first quarter of 2010 and a press release was issued on this subject in March 2010.

Moreover, the update to the 2000 socio-economic study performed by KPMG relative to the Oka Niobium Project was completed during the first quarter of 2010 to provide additional new information to all the Company’s stakeholders, shareholders, government officials and departments and the regional communities. A press release was issued on this subject on March 17, 2010.

As further detailed above, the Company announced a revaluation. Niocan plans to complete the remaining segments of the feasibility study as per NI 43-101 only when the CA is issued by the MDDELCC, and this information will be needed at that time for financing purposes. The Company considers that an update of the complete feasibility study which would be compatible with NI 43-101 would require approximately six (6) months and would cost over $500,000.

To date, $6,372,056 has been spent in the Company's financial statements relative to land, exploration and evaluation assets for this project. These essentially consist in geotechnical studies, feasibility studies and studies for the design of the Oka Niobium mining project.

Great Whale Iron Property

On August 31, 2006, Met-Chem produced its technical report which recommends a plan of action on the Great Whale project for the period comprised between 2006 and 2008, which totalised seven million three hundred thousand dollars ($7,300,000). The Company has not started this work.

In July 2009, the Company collected new drilled core samples and cores drilled in 1957-60 by Belcher Mining Corporation Ltd from the A, D and E iron mineralized (36% Fe magnetite) sites on the GWIP (17,098 acres) located 80 kilometers from the twin villages of Kuujjuarapik – Whapmagoostui on the Hudson Bay. The objective of the 2009 program, for which $183,000 was spent in 2009, was to perform modern metallurgical tests to confirm the optimum ore grain size of the prospects (historical resources) for maximum iron liberation. The Company announced in February 2010 the delivery of this report, the results of which are further detailed above.

To date, $817,363 has been spent in the Company's Financial Statements relatively to exploration and evaluation assets for this project. These essentially consist in the study prepared by Met-Chem and fees relating to the land survey made by the Company, as well as costs engaged during 2009 for the metallurgical testing at Corem and more recently the work program which started in the fall of 2012.

Results of Operations for the three-month period ended December 31, 2018

Revenues for the fourth quarter ended December 31, 2018 were $ 5,000 as compared to $ 4,242 for the same period during the previous year from the leasing of some properties.

The operating expenses incurred for the fourth quarter of 2018 were $ 50,209 as compared with $ 64,593 in the fourth quarter of 2017. The decrease of $ 14,384 in the operating expenses was caused by the reduction in the mining fees following the decision not to renew some claims located in the surrounding zones.

Finance expenses for the fourth quarter of 2018 were $ 53,460 as compared with $ 50,350 in the fourth quarter of 2017, the increase of $ 3,110 in the current quarter was mainly attributable to an increased value of debenture following the cash injection in 2018.

The net loss and the comprehensive loss for the fourth quarter of 2018 was $ 98,669 or $ 0.00 per share, compared to a loss of $ 110,701 or $ 0.01 per share, for the fourth quarter of 2017.

Results of Operations for the twelve-month period ended December 31, 2018

Revenues for the twelve-month period ended December 31, 2018 were $ 10,800 as compared to $ 7,242 for the same period during the previous year from the leasing of some properties.

The operating expenses incurred for the twelve-month period ended December 31, 2018 were $ 298,155 as compared with $ 330,624 for the same period during the previous year. The decrease of $ 32,469 in the operating expenses was caused by the reduction of the mining claims located too far away from the main mineral deposit. It should be noted a gain on settlement of short-term liability of $ 48,574 in the previous year.

Finance expenses for the twelve-month period ended December 31, 2018 were $ 201,347 compared with $175,518 for the same period during the previous year, the increase of $ 25,829 was mainly attributable to an increased value of debenture following cash injection during the year.

The net loss and the comprehensive loss for the twelve-month period ended December 31, 2018 was $ 488,702 or $ 0.02 per share, compared to a loss of $ 450,326 or $ 0.02 per share, for the same period during the previous year.

Selected Quarterly Financial Information

The following table presents certain extracts of the unaudited quarterly financial statements:

				2018				2017
(in $)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	5,000	1,050	3,700	1,050	4,242	—	3,000	—
Net Loss	(98,669)	(117,660)	(133,504)	(138,869)	(110,701)	(80,137)	(127,795)	(131,693)
Net Loss, per share	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)

Since the Company has no mining operations at the present time, the Company had no significant revenues over the past years. The variations in net losses result mainly from variations in expenditures relating to professional and administration fees as well as registration fees related with claims currently held.

Liquidity and capital resources

The Company had $ 81,039 of cash as of December 31, 2018, compared to $ 142,090 as of December 31, 2017.

The Company considers that these funds are not sufficient to respect all its current commitments. However, the Company intends to raise additional money to finalize the CA issuance and to either extend the terms and conditions or convert the debentures. Furthermore, the Company have to raise additional funds to update the feasibility study as per NI 43-101 once the CA is issued by the MDDELCC, before raising substantial funds to proceed to the construction of the mine and the plant.

Operating Activity Cash Flows

Cash flow used in operating activities was $ 210,051 for the twelve-month period ended on December 31, 2018, a decrease of $ 126,779 from $ 336,830 used in the corresponding period of 2017. The variation of the accounts payable explains this variation in cash flows from operating activities.

Financing Activity Cash Flows

Financing activities resulted in a cash inflow of $ 150,000 for the twelve-month period ended on December 31, 2018, as compared to $ 320,000 for the same period during the previous year following the debenture issuance in both cases.

Investing Activity Cash Flows

Investing activities resulted in a cash inflow of $ nil for the twelve-month period ended on December 31, 2018, as compared to $ nil for the same period during the previous year.

Related party transactions

Key management personnel compensation
Key management personnel correspond to the directors of the Company, including the Chief Executive Officer who is remunerated through a salary agreement.

During the twelve-month period ended December 31, 2018, the Company incurred the following expenses with key management personnel:

	2018	2017
	$	$
Salary and management fees included in office and administration	65,139	52,190
Directors' fees	32,520	34,059

The Company has the following amounts owing to related parties as at December 31:

	2018	2017
	$	$
Debentures - Major shareholder	2,120,000	1,970,000

During the period, interest expenses of $ 201,347 (2017 - $ 175,518) were incurred on the debentures, of which $ nil were paid ($ nil in 2017).

Going concern

The Company is in a development stage and has mineral exploration and development properties in the province of Québec. The Company does not capitalize the exploration and evaluation expenses (note 4). The Oka mining property consists of mining rights comprised of one mining lease and 49 claims covering over 2,350 acres and the Great Whale property consists of surface and mining rights comprising 235 claims covering over 26,000 acres on the Hudson Bay territory. Substantially, all of the Company's efforts are currently devoted to financing, developing and obtaining permits for its niobium property in Oka.

Financial statements have been prepared on a going concern basis which supposed that the Company will pursue its activities in a foreseeable future and will be able to realize its assets or discharge its obligations in the ordinary course of operations. The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The Company does not have any revenues coming from its operations that would enable the Company to discharge its obligations in the ordinary course of its operations.

With respect to the niobium property in Oka, the Company has determined in 1999 that the property contains ore resources which provide a conceptual indication of the potential of the property. The Company's application is under study with the MDDELCC and the community of Oka in order to obtain all permits, certificates and other authorizations to allow the Company to operate the niobium property. Management is currently working in order to obtain all the required permits and authorization to develop the Oka property.

The $2.12 million Debenture is maturing on March 31, 2019 (subsequently extended until October 31, 2019), and is secured by all the property and assets of the Company. Management is currently negotiating with the Debenture holders in order to renew or convert the Debenture at the best interest of the Company. If no agreements are reached before March 31, 2019 (subsequently extended until October 31, 2019), the Debenture holders may exercise their rights.

The ability of the Company to meet its commitments as they become payable, including the acquisitions of mineral properties and the development of projects, is dependent on its ability to obtain necessary financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in the ordinary course of operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Basis of preparation:

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on April 30, 2019

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the warrants associated with the Debenture.

Functional and presentation currency

These financial statements are presented in Canadian dollars, unless otherwise stated, which the Company's functional currency is.

Use of estimates and judgements
The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Notes 8 and 17 - carrying value of all assets of the Company if no agreements are reached with the debenture holders before March 31, 2019 (subsequently extended until October 31, 2019).

Significant accounting policies:

The accounting policies set out below were applied consistently to all years presented in these financial statements.

a) Financial instruments:

Non-derivative financial assets and liabilities
The Company initially recognizes loans and receivables, investment in equity securities, debt issued, and subordinated liabilities on the date that they are originated. All other financial assets and liabilities (including assets designated at fair value through income or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Company has classified non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs.

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Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and other receivables.

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an available-for-sale financial asset is derecognized, the gain or loss accumulated in the fair value reserve is reclassified to income or loss. The Company has not recorded any available-for-sale financial assets.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities and Debenture. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Derivative financial instruments

The Company has derivative financial instruments in regard to the warrants included in the Debenture which are classified as financial instruments at fair value through profit and loss. Derivative instruments are initially recorded at fair value and subsequent to initial recognition, they are measured at fair value with changes in fair value included in the statement of comprehensive loss at each reporting date as a component of net finance costs.

Transaction costs

Transaction costs related to financial assets and liabilities held for trading are expensed as they are incurred. Transactions costs related to financial assets held to maturity, loans and receivables, and other financial liabilities are taken into account in the carrying value of the asset and liability and subsequently amortized over the expected useful life of the instrument using the effective interest method. Transaction costs related to available-for-sale assets are capitalized upon initial recognition and then transferred to other comprehensive income immediately thereafter.

Fair value hierarchy

The following fair value hierarchy, which reflects the significance of the inputs, is used in making the measurements of fair value of financial assets and liabilities.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Share capital:

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Warrants

Warrants that are derivatives over the Company's own equity that will be settled only by the Company exchanging a fixed amount of cash for a fixed number of the Company's own equity instruments are classified as equity.

Warrants that include a contractual obligation to deliver cash or do not meet the fixed requirements of IAS 32 are classified as financial liabilities.

c) Mining properties and exploration and evaluation expenses:
Mining properties and exploration and evaluation expenses include mining properties and other exploration and evaluation costs. Mining properties correspond to acquired interests in mining exploration permits / claims which include the rights to explore for, mine, extract and sell all minerals from such claims. Costs incurred include appropriate technical and administrative overheads.

All exploration and evaluation costs are expensed as incurred.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the Company stops expensing exploration and evaluation costs for that area and record the amounts either as tangible or intangible mining assets under development according to the nature of the assets.

d) Impairment:

Financial assets
Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the asset. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

e) Provisions:
A provision is recognized if, because of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as net finance expenses.

f) Refundable credit on mining duties and refundable tax credit related to resources:
The Company is eligible for a refundable credit on mining duties under the Québec Mining Duties Act. This refundable credit on mining duties is equal to 16% on 50% of the eligible expenses. The accounting treatment for refundable credit on mining duties depends on management's intention to go into production in the future or to sell its mining properties to another mining producer once the technical feasibility and the economic viability of the properties have been demonstrated. This assessment is made at the level of each mining property.

In the first case, the credit on mining duties is recorded as an income tax recovery under IAS 12, Income Taxes, which generates a deferred tax liability and deferred tax expense simultaneously, since the exploration and evaluation assets have no more tax basis following the Company's election to claim the refundable credit. In the second case, it is expected that no mining duties will be paid in the future;

accordingly, the credit on mining duties is recorded as a government grant under IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, which is recorded against exploration and evaluation expenses. Currently, it is management's intention to have the Company become a producer in the future, as such, credits on mining duties are recorded in compliance with IAS 12, Income Taxes.

The Company is also eligible for a refundable tax credit related to resources for mining industry companies in relation to eligible expenses incurred. The refundable tax credit related to resources is recorded as a government grant against exploration and evaluation expenses.

Credits related to resources and credits on mining duties recognized against exploration and evaluation expenditures are recorded when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the credits. They will be recognized in profit or loss statement upon recognition.

g) Share-based payments:
The grant date fair value of share-based payment awards granted to employees and directors is recognized as an employee expense, with a corresponding increase in contributed surplus, over the year that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company. The Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, except when that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted.

h) Leases:
All leases are classified as operating leases and as such the leased assets are not recognized in the Company's statements of financial position.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

i) Net finance costs:
Net finance costs comprise interest income on funds invested, interest expense using the effective interest method, and changes in the fair value of the warrants associated with the Debenture.

j) Income tax:
Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Earnings per share:
The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise warrants and share options granted to employees.

l) Warrants:
The Company accounts for warrants using the fair value method. Under this method, the value of warrants is measured at fair value at the grant date using the Black-Scholes option pricing model, using management's assumptions and recorded as share capital when the warrants are exercised.

m) Contributed Surplus:
Contributed surplus is used to record the accumulated fair value of stock options recognized as share-based payments. Contributed Surplus is increased by the fair value of these items on vesting and is reduced by the corresponding amounts when options are exercised.

n) Cash and Cash Equivalents:
Cash and cash equivalents include cash on hand, deposits with banks and other highly liquid short-term investments with original maturities of three months or less.

o) Future accounting standards:
Several new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2019 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below.

IFRS 9 - Financial Instruments ("IFRS 9")
In November 2009, the IASB issued IFRS 9, Financial Instruments ("IFRS 9 (2009)"), and in October 2010, the IASB published amendments to IFRS 9 ("IFRS 9 (2010)"). In November 2013, the IASB issued a new general hedge accounting standard, which forms part of IFRS 9, Financial Instruments (2013). The new standard removes the January 1, 2015 effective date of IFRS 9. The new mandatory effective date will be determined once the classification and measurement and impairment phases of IFRS 9 are finalized. The mandatory effective date is not yet determined; however, early adoption of the new standard is still permitted. The Company intends to adopt IFRS 9 (2009), IFRS 9 (2010) or IFRS 9 (2013) in its financial statements for the annual period beginning on January 1, 2019.

IFRS 16, Leases ("IFRS 16")
IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. This standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

IFRS 16 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IAS 12 – Income taxes
On January 19, 2016, the IASB published and amendment to IAS-12 "Income Taxes". The amendments to this standard relate to the recognition of deferred tax assets and liabilities, with the latter also being subject to a 'probable profits' test. The amendments are effective for annual periods beginning on or after 1 January 2019, with earlier application being permitted. Management has yet to assess the potential impact of these amendments on its financial statements.

IAS 1 – Presentation of Financial Statements
IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
In October 2018, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The amendments make minor changes to the definition of the term "material" and align the definition across all IFRS Standards. Materiality is used in making judgments related to the preparation of financial statements. The amendments are effective January 1, 2020 with earlier adoption permitted. The Company is assessing the impact of these amendments on its financial statements.

Change in accounting policy

The Company has historically capitalized expenditures from mining properties and exploration and evaluation activities after they had reached a certain stage under IFRS 6 – Exploration and Evaluation of Mineral Resources.

In the fourth quarter of the year ended December 31, 2018, the Company adopted a voluntary change in accounting policy with respect to mining properties and explorations and evaluations expenses. The Company's new policy is to expense mining properties and exploration and evaluation expenses in the statement of income (loss) and comprehensive income (loss) until such time as the technical feasibility and commercial viability has been established that supports the future development of the property, and such development receives the Board of Directors approval.

The Company has determined that such voluntary change in accounting policy results in financial statements providing more relevant information as well as bringing the Company in line with a similar accounting policy adopted by its peers.

This change has been applied to all the Company's mining properties and exploration and evaluation activities.

Under the previous accounting policy, the Company was required to perform an impairment assessment on the carrying value of the exploration and evaluation assets. As of December 31, 2018, certain impairment indicators were noted, and may have resulted in an impairment charge, however, no impairment test was required given the change in policy adopted by the Company.

In accordance with IAS 8 – Accounting policies, changes in accounting estimates and errors, the change in accounting policy has been made retrospectively and the comparatives have been adjusted accordingly to all periods presented, as if the policy had always been applied. The change also considers impact from deferred tax liability aspects.

The following tables summarises the impact of the change in accounting policy on affected line items within the Company's financial statements:

Adjustments to the Statements of Financial Position

	As at December 31, 2016	Adjustments	As at December 31, 2016
	Previously stated		Adjusted
	$	$	$
Mining properties	845,000	(845,000)	—
Explorations and evaluation assets	5,527,056	(5,527,056)	—
Total assets	7,291,446	(6,372,056)	919,390
Deferred tax liability	725,251	(725,251)	—
Total liabilities	2,760,790	(725,251)	2,035,539
Deficit	(12,299,845)	(5,646,805)	(17,946,650)
Total equity (deficiency)	4,530,656	(5,648,805)	(1,116,149)
Total liabilities and equity (deficiency)	7,291,446	(6,372,056)	919,390

	As at December 31, 2017	Adjustments	As at December 31, 2017
	Previously stated		Adjusted
	$	$	$
Mining properties	845,000	(845,000)	—
Explorations and evaluation assets	5,527,056	(5,527,056)	—
Total assets	7,125,861	(6,372,056)	753,805
Deferred tax liability	725,251	(725,251)	—
Total liabilities	3,045,531	(725,251)	2,320,280
Deficit	(12,750,171)	(5,646,805)	(18,396,976)
Total equity (deficiency)	4,080,330	(5,646,805)	(1,566,475)
Total liabilities and equity (deficiency)	7,125,861	(6,372,056)	753,805

Number of Shares Issued

As at December 31, 2018, the number of nominal and fully diluted shares of the Company was as follows:

Common shares issued and outstanding	**25,979,868**
Options granted	**160,000**
Warrants issued and outstanding	**3,000,000**
Total	**29,139,868**

Capital Management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

The Company manages its capital structure and makes adjustments to it in accordance with the aforementioned objectives, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. There is no dividend policy. The Company is not subject to externally imposed capital requirements. The Company's management of capital remained unchanged since the last period.

Risks and uncertainties

The Company needs to obtain a Certificate of Authorization from the MDDELCC in order to build the Oka mine project. There is no assurance that the MDDELCC will issue this CA or that the CA will be issued in the near future.

The Company's mining lease on the Oka Property is set to expire in 2020. There is no assurance that the mining lease will be extended, especially since the Company has not initiated commercialization. In the event it is not or cannot be extended, the Company can maintain its mineral rights by securing mining claims on the Oka Property. In the event that the Oka Property becomes subject to mining claims, additional regulatory requirements will apply in order to convert the mining claims to a Mining Lease.

The Regional County Municipality of Deux-Montagnes (the "MRC") is in the process of assessing whether lands in its region could be considered incompatible with mining activities and may propose changes to its regional land use plan designating parts of its territory as incompatible with mining activities. Although, the area covered by the Company's mining lease cannot be designed as "mining incompatible" territory while the lease is in force, if the lease expires and if the Company acquires claims on the property, the MRC could initiate the process for the designation of such area as "mining incompatible" territory.

In 2001 the agricultural land use commission ("CPTAQ") authorized the non-agricultural use of specific parcels in the area of the Mining Lease. The authorization for non-agricultural use will expire on June 26, 2022. There is no assurance that the authorization will be extended, or a new authorization will be granted.

The Company needs to secure new equity and debt financing in order to ultimately realize the Oka Project and pursue the exploration/development of other properties it has acquired, particularly that of the Great Whale Iron mineral prospect. Given the nature of the speculative investment it is seeking in the capital markets, there is no assurance that the required financing will be available.

Management serves to maintain a sufficient amount of cash and cash equivalents, and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Being able to obtain new funds allows the Company to pursue its activities and even though the Company was successful in the past, there is no guarantee that it will succeed in the future.

There are many factors that could affect the Company's results that are not controlled by management, such as market prices, exchange rates, politico-social conflicts, competition and regulatory approvals.

The Company has not renewed its option to the purchase part of the old St-Lawrence Columbium mine site from the Municipality of Oka, which expired on June 30, 2008, pending a decision from the MDDELCC relating to the issuance of the Certificate of Authorization. While the Company has a verbal understanding with the municipality of Oka that the parties will wait for the issuance of the CA before finalizing the purchase agreement, there is no assurance that the municipality of Oka will accept to extend this offer to purchase in the future should the Certificate of Authorization be issued by the MDDELCC. A letter from the Ministry of Energy and Natural Resources ("MENR") to the MRC dated May 9, 2017 confirms that the SLC site is included in the MENR's mine sites rehabilitation program and that rehabilitation work is planned for 2019. The letter indicates that the MENR has the intention of completing the rehabilitation of the site. The rehabilitation of the site may create an impediment to its sale.

The Company takes great care to minimize these risks by carefully choosing consultants and advisors that are experienced leaders in their field of environment, mining engineering and law.

Other

The reader is referred to financial statements and notes to financial statements for more details. Additional information relating to the Company may be consulted on SEDAR at www.SEDAR.com.

(signed)
Hubert Marleau
Chairman, President and Chief Executive Officer
April 29, 2019