FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the nine months February 29, 2016 contains forward-looking information including forward-looking information about Bonterra Resources Inc. (the "Company" or "BonTerra")'s operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management's Discussion and Analysis (MD&A) of the financial condition, results of operations and cash flows of the Company for the nine months ended February 29, 2016 should be read in conjunction with the condensed consolidated interim financial statements as at February 29, 2016. This MD&A is effective April 27, 2016. Additional information relating to the Company is available on SEDAR at www.sedar.com. The Company has prepared its condensed consolidated interim financial statements for the nine months ended February 29, 2016 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 ("IAS 34"), as issued by the International Accounting Standards Board ("IASB").

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the Province of British Columbia on May 1, 2007. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties. The Company is currently focusing its financial resources on conducting exploration programs. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.

On September 2, 2014, the Company consolidated its common shares on a one new share for twenty old shares basis. All share and per share amounts have been revised to reflect the consolidation.

BOARD OF DIRECTORS

Nav Dhaliwal
Position: President & Chairman of the Board of Directors

Mr. Dhaliwal is a mining executive with several years experience at nurturing early stage companies through their critical phases of evolution, having founded a number of companies over his career. Mr. Dhaliwal is also experienced in corporate development, corporate communications and investor relations, bringing valuable business relationships with international analysts, brokers and investment bankers from Canada, the United States and Asia.

R. Dale Ginn, B.Sc., P.Geo.
Position: VP Exploration and Director

Mr. Ginn is an experienced mining executive and geologist of nearly 30 years. He is the founder of two exploration and mining companies and has led and participated in numerous gold and base metal discoveries, many of which are in production today. While specializing in complex, structurally-controlled deposits, he also has extensive mine-operations, development and startup experience. Mr. Ginn is recognized as an advocate of First Nations and local community participation in mining and exploration. Mr. Ginn is a registered professional geologist in Manitoba and Ontario and is a graduate of the University of Manitoba.

Jose Vizquerra-Benavides, M.Sc.
Position: Director

Mr. Vizquerra has been for over 4 years the President & CEO of Oban Mining Corporation (TSX:OBM). Mr. Vizquerra previously worked as Head of Business Development for Compania de Minas Buenaventura (BVN: NYSE), prior to which he worked as production and exploration geologist at the Red Lake gold mine. He is currently a board member of Timmins Gold. Mr Vizquerra holds a M.Sc. from Queens University in MINEX, and is a QP (AIPG-11679).

Richard Boulay, B.Sc.
Position: Director

Mr. Richard Boulay is a geologist with over 40 years of experience in the exploration and mining industries in Canada and internationally, including 15 years of mining and infrastructure financing experience gained with Bank of Montreal, Royal Bank of Canada and Bank of Tokyo. During Mr. Boulay's project financing career he arranged the financing of numerous underground and open pit mining projects, hydro and diversion dams, nuclear reactors, pipelines and offshore oil exploration and production platforms. He has extensive experience in the management and financing of public companies in Canada and the United States. Mr. Boulay also brings extensive exploration experience that can be applied to BonTerra's current projects as a result of previously exploring for gold deposits in the greenstone belts of northwestern Quebec.

Robert Gagnon, P.Geo.
Position: Director

Mr. Gagnon earned a Mining Techniques Diploma from the Collège de la région de l'Amiante in 1995 and a Bachelor of Geology from the University of Quebec in Chicoutimi in 1999. He has been a member in good standing of the Ordre des géologues du Québec since 2002, a member of the Board of Directors of the Quebec Mineral Exploration Association since 2009, and President of the Association des prospecteurs du Nord du Québec since 2012.

P. Joseph Meagher, CPA, CA
Position: Chief Financial Officer and Director

Mr. Meagher is a Director at Triumvirate Consulting Corp., a financial consulting firm, where he specializes in accounting and financial reporting. Mr. Meagher currently serves as the Chief Financial Officer and a Director for several publicly listed companies. Prior to joining Triumvirate, Mr. Meagher worked at Smythe Ratcliffe LLP as a manager focusing on publicly listed and private company audits, as well as staff training and development. He was a member of Smythe Ratcliffe's IFRS conversion team as well as a technical reviewer for complex accounting topics. Mr. Meagher holds a CPA, CA designation and a Bachelor of Commerce from the University of British Columbia.

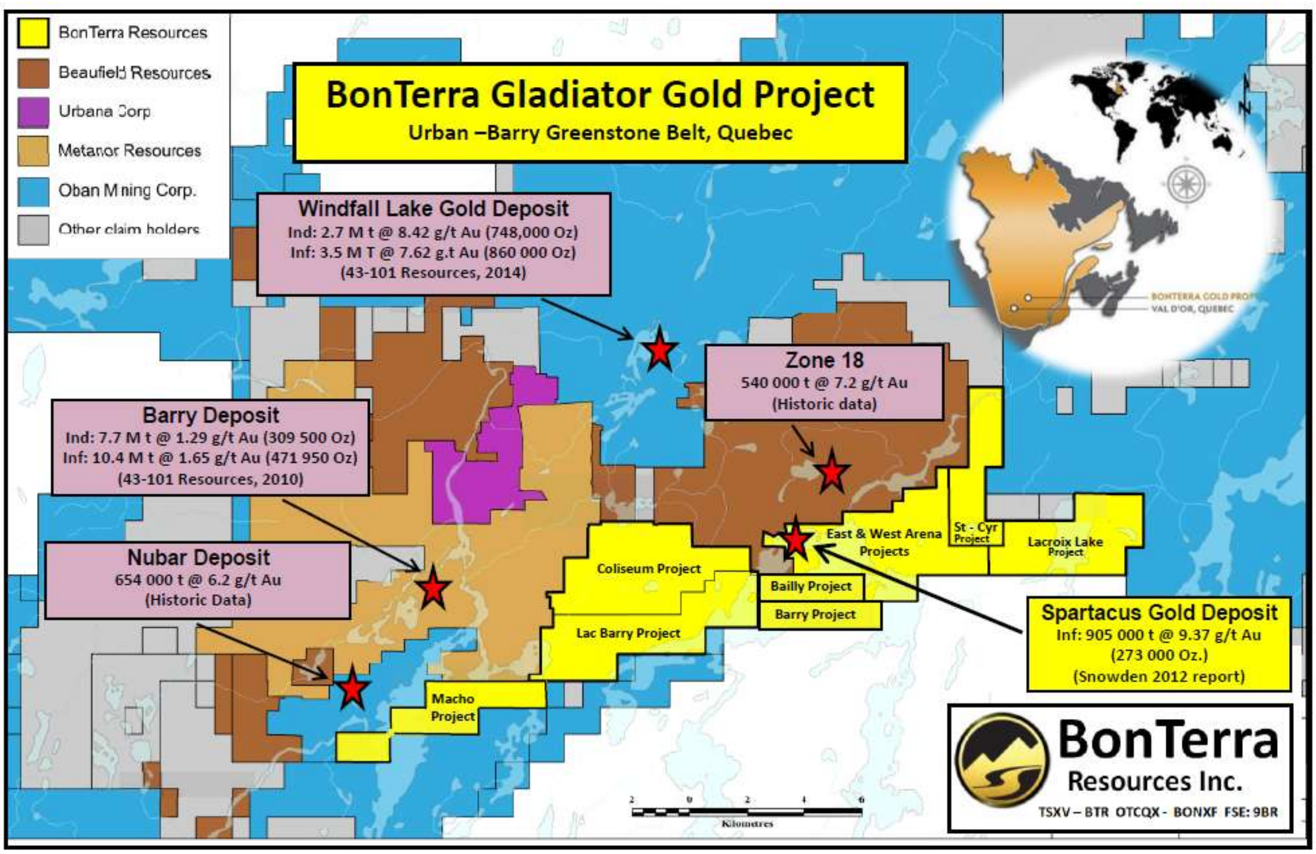
On October 14, 2015, Mr. Jose Vizquerra-Benavides was appointed as a Director of the Company.

On December 9, 2015, Mr. Robert Bryce resigned as a Director of the Company and Mr. Richard Boulay was appointed as a Director of the Company.

BUSINESS OF THE COMPANY

The Company conducts gold exploration in Archean greenstone belts in the Canadian Shield; specifically in the Urban-Barry greenstone belt of northwestern Quebec and, due to the recent acquisition of the Larder Lake Property in Ontario, the prolific Cadillac-Larder break structure between Kirkland Lake and Virginiatown.

EXPLORATION PROJECTS – GLADIATOR GOLD PROJECT, QUEBEC



(i) COLISEUM PROPERTY (formerly Urban Barry)

The Company acquired a 100% interest in 95 claim blocks in Quebec near Windfall Lake at a cost of $20,000 (paid), the issuance of 50,000 common shares to the vendors and 5,440 common shares to a finder (issued) and incurring $140,000 of exploration expenditures (incurred). The shares were valued at $155,232 based on the market value of the shares on share issue date. The property is subject to a 2% net smelter royalty ("NSR") of which 0.5% can be purchased by the Company for $1,000,000.

The Abitibi Greenstone Belt hosts significant gold mineralization in several parallel NE to SW trending zones. Gold in the Urban-Barry Township is primarily associated with quartz-carbonate veins mineralized with sulphides. The Coliseum property is situated between Metanor Resources' Barry Mine and BonTerra's flagship property, the West Arena. BonTerra Resources had recently conducted an IP survey on the western part of the property and intends to drill some of the new anomalies during its initial 2500m 2016 drill program.

(ii) WEST ARENA PROPERTY (formerly Eastern Extension)

The Company entered into an option agreement on September 15, 2010, as amended on February 8, 2011 and March 19, 2012 to acquire 100% interest in 23 additional mineral claims adjacent to the Coliseum claims in Quebec for aggregate consideration of $10,000 cash (paid), 87,500 common shares (issued) and $750,000 in exploration expenditures (incurred). The Company completed the acquisition and owns 100% subject to the NSR below.

The agreement is subject to a 2% NSR of which 1% can be purchased for $500,000. A finder's fee of 2,845 shares was paid in connection with this acquisition. On October 25, 2013 the Company entered into an agreement to sell a 1% NSR interest in the West Arena property to Gold Royalties Corporation (TSX-V: GRO).

On July 27, 2012 the Company filed a technical report pursuant to National Instrument 43-101 ("NI 43-101") entitled "*Bonterra Resources Inc.: Eastern Extension Property Project No. V1216 NI43-101 Technical Report*" dated July 26, 2012 (the "Report") prepared by Abolfazl Ghayemghamian, MSc, P.Geo., APEGBC, Senior Consultant and Walter A. Dzick, B.Sc. (Geology), M.B.A, CPG #11458, MAusIMM, MAIPG, Principal Consultant with Snowden Mining Industry Consultants Inc. ("Snowden"). Both authors of the Report are independent of BonTerra and are Qualified Persons as defined by NI 43-101.

The Report includes all work BonTerra completed on the Property up until the end of 2011. Of a total of 21,559.50 metres of drilling completed by BonTerra to date, only 15,642.60 metres of this is included in the resource estimate. This 15,642.60 metres was drilled on the Property in 2010 and 2011 in 49 drill holes which averaged 319 metres in length. In addition to this 15,642.60 metres of drilling, historical drilling by Xemac resources was also used. Xemac drilled 59 holes totaling 8,727 metres in 1997, 1998, 2000 and 2001. After hitting significant gold at depths of approximately 600 metres**,** management believes there is significant down-dip potential. This assertion is further strengthened by the fact that the veins are vertical to sub-vertically dipping.

The purpose of the Report was to provide a resource estimate for the West Arena Property (the "Property") which is located approximately 170 kilometers northeast of Val d'Or, Quebec in the Urban-Barry belt, and to support BonTerra's news release dated June 13, 2012 which disclosed that, using a 1.0 g/t cut-off grade, the Property contains an inferred gold resource of 4,337,000 tonnes, grading 3.53 g/t for 492,000 ounces. See Table below.

NI 43-101 Resource Estimate – West Arena Gold Property Dated July 2012 – Prior to 2015/2016 Drilling

Resource Estimate NI 43-101 Compliant

Cut off Grade	Metric Tonnes	Grade (g/t)	Gold Oz
1.0	**4,337,000**	**3.53**	**492,000**
2.0	2,266,000	5.29	**385,000**
3.0	1,170,000	7.97	**300,000**
4.0*	905,000	9.37	**273,000**
5.0	863,000	9.5	**264,000**
6.0	778,000	9.94	**249,000**
7.0	673,000	10.46	**226,000**
8.0	513,000	11.44	**189,000**
9.0	409,000	12.27	**161,000**
Inferred			**492,000**

*Note: Using a 4.0 g/t cut-off grade, the Property contains an inferred gold resource of 905,000 tonnes, grading 9.37 g/t for 273,000 ounces NI-43-101 Mineral Resource Estimate and technical report filed July 27, 2012, Snowden Mining Consultants.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves. Estimates are rounded since the figures are not precise calculations. Mineral resource estimates are reported for the Property above a range of Au cut-off grades (see Table 1-1 of the Report). To that date, no analysis had been made to determine the economic cut-off grade that will ultimately be applied to any mineral resources. As stated in the Report, management is not aware of any legal, political, environmental, or other risks that could materially affect the potential development of the inferred mineral resource.

On September 27, 2012 the Company announced receiving gold assays for two holes, BA-12-12 ("Hole 12") and BA-12-14 ("Hole 14"), from the Rivage Zone on its West Arena property. Hole 12 was the highlight as this drill hole hit the target Rivage Vein as well as four additional veins. The best drill core sample of the Rivage Vein assayed 23.30 g/t over 1.0 metre. BonTerra discovered the Rivage in 2011. The Rivage is characterized by a series of parallel veins mineralized with sulphides and often visible gold.

Highlights of assay results for the Rivage Vein include 23.3 g/t over 1.0 metre at 50 metres vertical depth in Hole 12 as disclosed in this news release, 204.0 g/t in a surface chip sample taken from the discovery outcrop as previously disclosed in the Company's news release dated October 4th, 2011 and 220.0 g/t over 1.0 metre at 200 metres in vertical depth in BA-12-10 ("Hole 10") as previously disclosed in the Company's news release dated May 10th, 2012. When reviewing results for Hole 10 and Hole 12, gold grades seem to increase with depth. BonTerra intercepted the high grade Rivage Vein and four other parallel veins in Hole 12 which is encouraging for the Company. Significant drill results from Hole 12 are shown in Table 1 with the collar details shown in Table 2.

Table 1: Significant drill results (down hole depths)

Drill Hole Number	From (metres)	To (metres)	Length (metres)	Gold Grade (g/t)
BA-12-12	54.00	55.00	1.00	23.30
BA-12-12	176.00	177.00	1.00	2.42
BA-12-12	202.00	203.00	1.00	3.74
BA-12-12	277.00	278.00	1.00	2.16
BA-12-12	300.00	301.00	1.00	2.74
BA-12-14	No Significant Values			

On June 12, 2013 the Company announced it had submitted samples from three drill holes to ALS Laboratories ("ALS") in Val d'Or, Quebec from the Company's flagship West Arena Property (the "Property"). Two of these three holes were drilled into the Peninsula Zone to test continuity of veins hosting high grade nearby while the final hole was drilled at the Rivage Zone.

On February 9, 2015, the Company announced results from one of the three holes, BA12-07. Results for holes BA12-09 and BA12-11 are still pending as reassaying of its existing core is needed to comply with QA/QC protocols. One of the key targets for both holes BA12-07 and BA12-09 is a high-grade quartz vein/structure. BA12-07 returned values of 3.07 g/t Au over 5.0 m (101.0 to 106.0 m), which included 10.75 g/t Au over 1.0 m. The hole intersected the main NE-SW gold bearing structure identified by BonTerra during previous drilling campaigns, as expected. This hole is 120.0 meters along strike from BA11-23 (42.60 g/t over 1.30 metres) and BA11-26 (10.19 g/t over 2.60 metres), which returned similar values. This intercept is associated with a sheared felsic intrusives with numerous quartz-pyrite-tourmaline veinlets.

2015 Phase 1 Drill Program

The 2015 Phase 1 drill program targeted the plunge and strike extensions the Company's newly discovered Gladiator Zone located on the Spartacus Trend within the West Arena Property. To that date, the deposit had been drilled over a 500-meter strike length from surface and consists of a number of parallel, anastomosing and intersecting steeply dipping shear zones. The Phase 1 drill program, essentially a reconnaissance effort using drills, met and exceeded expectations by localizing impressive gold bearing veins and also confirming the presence of a massive intrusive body, possibly porphyritic, defined by intercepts of up to 155 m with gold values between approximately 0.4 g/t and 0.9 g/t.

The Spartacus Trend was identified as a northeast trending shear zone primarily within mafic volcanic units that host local intrusions of syenite and gabbro. Gold mineralization is predominantly contained within quartz-carbonate veining and associated alteration related to shearing, faults, folds and other typical structural controls. The Main Zone is highly silicified and altered sheared contact between mafic volcanics and an altered and mineralized syenite, locally exhibiting quartz porphyritic textures. Smoky quartz veining also occurs locally both in the contact zones and the larger felsic intrusive syenite unit. These veins contain the bulk of the mineralization and free gold, as well as tourmaline and chlorite occupying fractures. A third upper or Footwall Zone occurs at the sheared contact between the mafic volcanics and a mafic intrusive sill or gabbro and displays similar mineralization and alteration as the Main Zone. Mineralization consists of minor (trace to 2%) pyrite, chalcopyrite and yellow sphalerite throughout, but mostly in and near the contacts with the quartz veining.

Within the West Arena Property, two additional parallel trends were identified by geophysical signature and limited drilling, namely the Crixus to the north and the Gannicus to the south, each trend is separated by approximately 500 meters. The Coliseum Property is situated immediately to the west along strike from the Spartacus and Crixus trends. The Barry Deposit and open pit are located along strike immediately to the west of the Coliseum property.

All results from the 2015 Phase 1 Drill Program are tabled below:

Drill Hole	Length (m)	Zone	From (m)	To (m)	Width* (m)	Au (g/t)
BA-15-01A	378	Footwall Zone	62.5	66.0	3.5	9.1
		Main Zone	**210.6**	**217.2**	**6.6**	**14.0**
		Including	*215.9*	*216.7*	*0.8*	*104.5*
BA-15-02	501	Footwall Zone	107.6	110.2	2.6	4.7
		Gabbro	224.3	225.2	0.9	7.6
		Intrusive	320.5	476.0	155.5	0.5
		Main Zone	**476.0**	**483.7**	**7.7**	**7.2**
BA-15-03	**504**	**Footwall Zone**	**187.0**	**188.5**	**1.5**	**4.3**
		Gabbro	200.0	204.0	4.0	1.3
		Gabbro	219.0	220.0	1.0	3.8
		Intrusive	339.0	379.0	40.0	0.4
		Intrusive	392.8	397.0	4.2	1.6
		Intrusive	479.0	499.4	20.4	0.9
BA-15-04	324	Main Zone	224.0	235.4	11.4	1.5
		Including	***234.1***	***235.4***	***1.3***	***8.0***

The first hole, BA-15-01A, encountered the main zone at 175 meters below surface, intersecting 14.0 g/t gold over 6.6 meters. This included a high-grade section of 104.5 g/t over 0.8 meters where numerous flecks of visible gold were observed. The second hole, BA-15-02, intersected 7.2 g/t Au over 7.7 meters. Hole BA-15-03, located approximately 75 meters to the west of drill hole BA-15-02, encountered a number and range of gold intersections. High grade was discovered in the FW Zone, and broad lower gold grades were intersected within a mineralized felsic porphyritic intrusive in the lower half of the hole. Hole BA-15-04, which intersected 1.3 m of 8.0 g/t Au, was located approximately 50 meters to the east of drill hole BA-15-01, and even though the hole was placed much higher in the system and above plunge, it hit the Main Zone with similar higher-grade mineralization as seen in BA-15-01 and BA-15-02.

2016 Multi-Phase Exploration and Drill Program

On February 2, 2016, the Company announced it had commenced the 2016 Multi-Phase Exploration and Drill Program commenced on Gladiator. Based on results from the 2015 Phase 1 Drill Program and the successful financing in late 2015, the 2016 Exploration and Drill Program was expanded to consist of up to 25,000 meters with a minimum of two drill rigs to extend and expand the known Gladiator zones. The Company also proceeded to explore the known and newly-discovered mineralized trends along strike, which further defined and extended by a recently completed ground geophysical program. The Program focused on expanding the Main Zone and expand mineralization into the new strike extensions recently generated by ground geophysics. The geophysical strike extensions showed new identical signatures as the Main Zone's approximately 5km along strike to the west into the Coliseum Property

On March 2, 2016, the Company announced it had received assays from the first two holes (BA-16-01 and BA-16-03) from its 2016 Multi-Phase Exploration and Drill Program on Gladiator.

Drill highlights are tabled below:

Hole	From (m)	To (m)	Length (m)	Grade (g/t Au)	Zone
BA-16-01	126.0	127.0	1.0	5.2	FW
	240.0	378.0	138.0	0.4	Intr.
Including	299.0	302.4	3.4	1.7	Main
Including	353.8	357.0	3.2	1.9	Main
BA-16-03	4.0	9.0	5.0	9.0	Main
Including	4.0	6.9	2.9	13.5	Main

Drilling had extended all zones 100 meters to the west of previously known limits most notably in the Main zone with a high grade near surface intersection of 9.0 g/t over 5.0 m in hole BA-16-03. BA-16-03 was a shorter probe hole located to test only for the western extension of the Main zone near surface. Drill hole BA-16-01 intersected three zones, most notably the broad and mineralized intrusive unit at approximately 300 meters in depth, extending this zone another 100 meters to the west. Visible gold was noted in the Main zone at 355 meters in hole BA-16-01.

On March 29, 2016, the Company announced it had received assays from an additional five holes from its 2016 Multi-Phase Exploration and Drill Program on Gladiator. Two new high-grade mineralized zones had been discovered to the north (BA-16-02) and south (BA-16-05) of the extensions of the main deposits. On April 29, 2016, the Company announced that it had received assays from an additional four (4) holes from its 2016 Exploration and Drill Program on its Gladiator Gold Project; reporting 11 of the 19 holes completed were reported, with eight (8) holes remaining in the lab. The summary results of the available data from the 2015 and 2016 drill programs are reported in the table below.

Hole	From (m)	To (m)	Length (m)	Grade (g/t Au)	Zone
BA-15-01A	62.5	66.0	3.5	9.1	Footwall
	210.6	217.2	6.6	14.0	Main
Including	*215.9*	*216.7*	*0.8*	*104.5*	Main
BA-15-02	107.6	110.2	2.6	4.7	Footwall
	224.3	225.2	0.9	7.6	Gabbro
	320.5	476.0	155.5	0.5	Intrusive
	476.0	483.7	7.7	7.2	Main
BA-15-03	187.0	188.5	1.5	4.3	Footwall
	200.0	204.0	4.0	1.3	Gabbro
	219.0	220.0	1.0	3.8	Gabbro
	339.0	379.0	40.0	0.4	Intrusive
	392.8	397.0	4.2	1.6	Intrusive
	479.0	499.4	20.4	0.9	Intrusive
BA-15-04	224.0	235.4	11.4	1.5	Main
Including	*234.1*	*235.4*	*1.3*	*8.0*	Main

BA-16-01	126.0	127.0	1.0	5.2	Footwall
	240.0	378.0	138.0	0.4	Intrusive
Including	299.0	302.4	3.4	1.7	Main
Including	353.8	357.0	3.2	1.9	Main
BA-16-02	11.0	55.0	44.0	0.4	New (North Shear 2)
	79.0	137.0	58.0	2.5	New (North Shear 1)
Including	79.0	95.0	16.0	6.1	New (North Shear 1)
Including	79.0	84.0	5.0	15.3	New (North Shear 1)
	92.5	95.0	2.5	7.5	New (North Shear 1)
	103.0	145.0	42.0	1.0	Local Shear
BA-16-03	4.0	9.0	5.0	9.0	Footwall
Including	4.0	6.9	2.9	13.5	Footwall
BA-16-04	64.0	70.0	6.0	10.4	Main
BA-16-05	25.0	26.5	1.5	3.5	Main
	184.0	186.0	2.0	12.7	Main
	290.7	294.0	3.3	29.0	New (South)
BA-16-06	20.8	30.0	9.2	2.1	Footwall
	336.0	337.5	1.5	3.0	Intrusive
	416.0	420.0	4.0	1.7	Main
BA-16-07	142.6	147.0	4.4	8.0	Main
Including	144.2	147.0	2.8	11.9	Main
	155.0	156.0	1.0	14.9	Main
	378.0	381.0	3.0	20.7	New South
BA-16-08	245.0	332.8	87.8	0.31	Intrusive
	368.0	371.0	3.0	3.0	New South
BA-16-09	21.7	27.4	5.7	24.3	Main
	110.1	111.2	1.1	41.7	Main
	364.0	369.0	5.0	1.8	New (South)
BA-16-10	318.0	328.0	10.0	9.3	Main
Including	321.0	324.0	3.0	27.5	Main
	438.0	445.5	7.5	1.1	New South
BA-16-11	35.0	36.7	1.7	13.6	Main
	40.9	44.0	3.1	4.6	Main
	187.4	187.9	0.5	24.4	New South

**Stated lengths are core width as drilled, true widths have not yet been determined.*

(iii) EAST ARENA PROPERTY (formerly Lavoie)

On December 30, 2010, the Company closed and received approval from the TSX Venture Exchange for a property purchase agreement entered into on December 10, 2010 to acquire 100% interest in 57 mineral claims east of the Urban-Barry Township in Quebec. Consideration paid was 100,000 common shares valued at $860,000 based on the market price of the shares on the share issue date, and cash payments of $35,000. The agreement is subject to a 2% NSR of which 1% may be purchased for $1,000,000.

The East Arena Property is contiguous and along strike with the West Arena property. This property was drilled in the past where gold bearing veins were intercepted. The Company conducted the first phase of exploration on the property, a ground magnetic survey. An anomaly of interest runs NE-SW and warrants further investigation. Due to this fact, BonTerra conducted a large ground based magnetic survey on the East Arena property in March of 2011. It appears targets from the West Arena continue onto the East Arena property. This survey reinforced the historical data. The next step is to conduct a prospecting program followed up by localized IP surveys to further define drill targets on the property.

(iv) ST-CYR and WEST LACROIX LAKE

On February 23, 2016, the Company entered into agreements with arm’s length vendors to acquire a 100% interest in the St-Cyr and West Lacroix Lake Properties, located in the Urban Barry Gold Camp, Barry Township, Québec.

In consideration, the Company issued an aggregate of 1,200,000 common shares of the Company on March 2, 2016. Both vendors retain a 2% NSR, of which 1% can be purchased by BonTerra for $1,000,000.

The Properties adjoin BonTerra’s West and East Arena Properties and one of Oban Mining Corporation’s properties. Both are located approximately 90 kilometres east of Lebel sur Quevillon and less than 10 kilometres southwest of, and along the same geological trend, as BonTerra’s 100% owned Gladiator Gold Project. The St-Cyr Property consists of 13 minerals claims covering 733.70 hectares and the West Lacroix Lake Property consists of 18 mineral claims covering 1016.34 hectares.

Gold mineralization found to date in the area occurs in basalts, rhyolite and the volcanosedimentary sequence. There are at least two styles of gold mineralization: sulphide replacement (generally pyrite) either as disseminations and stockworks of sulphide-rich fractures and classical native gold in quartz veins.

The Properties also cover a recently discovered alkaline carbonatite complex with interesting but as yet undetermined gold potential. Carbonatite-syenite alkaline complexes make excellent exploration environments, especially when embedded in gold bearing Archean greenstone belts.

(v) LAC BARRY

On March 10, 2016, the Company entered into an option agreement with Golden Valley Mines Ltd. (“Golden Valley”) to acquire an 85% interest in Golden Valley’s Lac Barry Property, which is strategically located adjacent to BonTerra’s Gladiator Gold Project in Québec. The Lac Barry Property is comprised of 35 claims covering 1,431.65 hectares adjacent to the south boundary of BonTerra’s Coliseum Property

In consideration, the Company issued 519,480 common shares of the Company on March 16, 2016. Golden Valley retains a 15% interest in the property and a 3% NSR, of which 1% can be purchased by BonTerra for $1,000,000. In order to maintain the option, BonTerra must incur expenditures $2,000,000 as follows:

- $250,000 before March 10, 2017;
- an additional $750,000 on or before March 10, 2018; and
- an additional $1,000,000 on or before March 10, 2019.

This option secures the projected southwestern on strike extension of high-grade gold mineralization currently being drilled on the West Arena Property of the Gladiator Gold Project. In addition, the Lac Barry Property is adjacent to and immediately south of BonTerra’s Coliseum Property and also materially extends property coverage southward to include additional greenstone stratigraphy and structural gold targets.

The Lac Barry Property is located approximately 1.5 kms southwest of BonTerra’s current West Arena Property.

(vi) MACHO SOUTH, BARRY AND BAILLY PROPERTIES

On March 11, 2016, the Company entered into option agreements to acquire 100% interests in the Macho South Property, the Barry Property and the Bailly Property.

In consideration for the Macho South Property, the Company issued 1,200,000 common shares of the Company on March 22, 2016 to an arm's length third party. The vendor retains a 2% NSR, of which 1% can be purchased by BonTerra for $1,000,000.

In consideration for the Barry Property, the Company issued 800,000 common shares of the Company on March 22, 2016 to an arm's length third party. The vendor retains a 2% NSR, of which 1% can be purchased by BonTerra for $1,000,000.

In consideration for the Bailly Property, the Company issued 250,000 common shares of the Company on March 22, 2016 to Laurier Gold Corporation ("Laurier"). Laurier retains a 2% NSR, of which 1% can be purchased by BonTerra for $1,000,000.

The Macho Property is located at the extreme southwestern end of BonTerra's Gladiator Project, adjacent to and south of Oban Mining Corporations' ("Oban") recently acquired Souart Property. The Souart Property is located approximately 10 km southwest of Oban's Windfall Lake gold deposit along an obvious SW-NE structural trend. BonTerra's Macho Property lies at the intersection of the Windfall-Souart structure and the East-West trending extended Lac Barry structure that is covered by BonTerra claims over a strike length of 25 km.

All three properties, in addition to the recent acquisition of the Lac Barry Property, extend BonTerra's coverage of favourable gold host environments southward and closer to the edge of the Urban-Barry greenstone belt. These four properties, together with BonTerra's West and East Arena Properties, cover 25 kilometers of ideal greenstone belt lithology and known shear zones. Intersecting these shear zones near Archean greenstone belt edges can generate intense structural complexity gradients that represent exceptional gold exploration targets.

EXPLORATION PROJECT - LARDER LAKE PROPERTY

On March 17, 2016, the Company entered into an agreement to acquire a 100% interest in the Larder Lake Property from Kerr Mines and its wholly-owned subsidiary, Bear Lake Gold Ltd., located in the McVittie and McGarry Townships of Ontario, Canada. The terms of the agreement were amended on April 14, 2016 and TSX-V approval for the transaction was received on April 26, 2016.

In consideration for the Larder Lake Property, the Company issued 10,000,000 common shares of the Company on April 26, 2016. The Company must also pay $1,150,000 as follows:

- $200,000 within five days of TSX-V approval;
- $300,000 on or before the date that is eight months from the date of TSX-V approval;
- $350,000 on or before the date that is twelve months from the date of TSX-V approval; and
- $300,000 on or before the date that is eighteen months from the date of TSX-V approval.

In the event the Company completes an equity financing for gross proceeds of $4,000,000 or more, then the second cash payment of $300,000 and third cash payment of $350,000 are due within ten days of the closing of the equity financing, and the fourth cash payment of $300,000 is due within twelve months of TSX-V approval.

Upon issuing the 10,000,000 common shares of the Company, Kerr Mines became an Insider of the Company, as per TSX-V policies.

In relation to the transaction, the Company paid a finder's fee of 558,908 common shares to an arm's length third party.

Larder Lake Property Highlights:

- The Larder Lake Property, running along 9 km of the Cadillac-Larder break between Kirkland Lake and Virginiatown, consists of a historic estimate as outlined below
- Deposit is open at depth with over 100,000 metres of historical diamond drilling completed;
- Historical gold production and mine development to 1,085 feet, with two shafts and underground workings on site;
- Strategic 2,165-hectare land position along prolific Cadillac/Larder Fault Break where over 13 Million ounces of production had been recorded; located 7km west of the Kerr Addison Mine, which produced 11 million ounces of gold;
- Extensive infrastructure and access (highway and power).

Disclosure of Historical Estimates*: The Larder Lake Project contains a historic estimate. In August 15, 2011, P&E Mining Consultants prepared for Kerr Mines a resource estimate as reported in a technical report titled *"43-101 Technical Report and Updated Resource Estimates on the Larder Lake Property, Larder Lake, Ontario for Bear Lake Gold Ltd."* BonTerra considers the historical estimate to be relevant and useful for exploration purposes given that it was prepared under NI 43-101 standards. However, since a Qualified Person of BonTerra has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, BonTerra is not treating the historical estimate as current mineral resource. See Table below.

***2011 Total Resource Estimate @ 2.5 g/t Au Cut-Off Utilizing Gold Price of US$1,207/oz(1)(2)**			
Bear Lake deposit and Cheminis deposit			
Classification	Tonnes	Grade (Au g/t)	Contained Ounces Au
Indicated	335,000	4.07	**43,800**
Inferred	5,141,000	5.55	**917,000**
August 15, 2011 – P&E Mining Consultants NI 43-101 Technical Report			

Notes:

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

Visit www.bonterraresources.com for information on the Larder Lake Property, its location, and other general information. The Larder Lake Property 43-101 technical report, completed by P&E Mining Consultants, is currently available on Kerr Mines website www.kerrmines.com.

SELECTED ANNUAL INFORMATION

	May 31, 2015	**May 31, 2014**	**May 31, 2013**
Revenue	$NIL	$NIL	$NIL
Net loss	(3,561,308)	(537,538)	(6,771,966)
Comprehensive loss	(3,534,063)	(564,783)	(6,771,966)
Basic and diluted loss per share	(0.35)	(0.11)	(1.54)
Total assets	6,281,971	6,083,013	6,540,853
Total current liabilities	625,923	1,094,846	1,192,688

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized as follows:

For the Quarter Periods Ending on	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015
Administration expense	$660,884	$872,352	$654,431	$406,602
Other (income) loss	(210,837)	(62,056)	(42,731)	132,163
Net loss before tax for the period	450,047	810,296	611,700	538,765
Net loss per share	0.01	0.02	0.02	0.03
Total assets	11,785,253	8,216,138	8,340,344	6,281,971
Total current liabilities	1,464,146	667,900	675,392	625,923

For the Quarter Periods Ending on	February 28, 2015	November 30, 2014	August 31, 2014	May 31, 2014
Administration expense	$405,494	$323,648	$130,419	$50,686
Other (income) loss	2,053,201	99,662	10,119	98,836
Net loss before tax for the period	2,458,695	423,310	140,538	149,522
Net loss per share	0.35	0.09	0.02	0.03
Total assets	6,149,804	6,108,999	6,096,696	6,083,013
Total current liabilities	354,877	1,282,606	1,199,322	1,094,846

OPERATIONS

During the three months ended February 29, 2016 the Company reported a net loss of $660,884 compared to a net loss for the three months ended February 28, 2015 of $2,458,695. Variations in expenses from the three months ended February 29, 2016 to the three months ended February 28, 2015 are as follows:

- Consulting fees of $205,870 (2015 - $111,250) increased as additional consultants were retained, and some existing consultants did additional work;
- Management and director fees of $55,500 (2015 - $37,694) were higher in 2016 as the CEO fees were higher in 2016 and the Company began paying fees to a director in 2016;
- Office and general increased from $8,783 in 2015 to $30,021, and travel increased from $4,474 in 2015 to $30,550 as a result of the Company being much more active in 2016, including more travel to conferences;
- Professional fees in 2016 were a recovery of $8,471 as a result of an adjustment for fee accruals, while in 2015 there was an expense of $16,702;

- Rent deceased from $17,059 in 2015 to $4,239 as a result of moving offices and sharing office space;
- Share-based payments of $152,168 (2015 - $111,594) reflect more options granted in 2016 than in 2015;
- The Company incurred costs of $164,228 in shareholder communications and investor relations as compared to $75,719 in 2015. Promotional activity has increased, and the Company has engaged additional consultants for shareholder and corporate communications;
- Transfer agent and filing fees of $26,058 (2015- $21,245) increased slightly due to higher activity;
- Other income of $210,837 (2015 - $nil) related to the reduction of the other liability created by the issuance of flow-through shares at a premium. The reduction was the result of qualified expenditures made by the Company during 2016; and
- Loss on settlement of payables of $nil (2015 - $2,053,201) was the result of 7,607,668 common shares issued by the Company for debt settlement agreements with a group of creditors. The agreements were done on the basis of $0.10 per common share. When ultimately issued, the value of the Company's common shares was $0.37

For the Nine Months Ended February 29, 2016

During the nine months ended February 29, 2016 the Company reported a net loss of $1,872,043 compared to a net loss for the nine months ended February 28, 2015 of $3,022,543. Variations in expenses from the nine months ended February 29, 2016 to the nine months ended February 28, 2015 are as follows:

- Consulting fees of $721,785 (2015 - $236,740) increased as additional consultants were retained, and some existing consultants did additional work;
- Management and director fees of $149,000 (2015 - $168,194) were higher in 2015 as the Company had both a President and a CEO in 2015, whereas there was just one position in 2016;
- Office and general increased from $14,336 in 2015 to $70,954, and travel increased from $6,196 in 2015 to $64,680 as a result of the Company being much more active in 2016, including more travel to conferences and the Company's exploration projects;
- Professional fees increased slightly from $47,342 to $49,392 due to some additional legal fees;
- Rent of $16,663 (2015 - $34,489) was lower as the Company moved to a new office and shared more office space;
- Share-based payments were $674,641 in 2016 (2015 - $132,534) as more options were granted in 2016 than in 2015;
- The Company incurred costs of $407,100 in shareholder communications and investor relations as compared to $185,720 in 2015. The Company began to restructure and pursue financing in 2015, while promotional activities increased and more consultants were engaged in 2016;
- Other income of $315,624 (2015 - $nil) related to the reduction of the other liability created by the issuance of flow-through shares at a premium. The reduction was the result of qualified expenditures made by the Company during 2016;
- Realized loss on marketable securities of $109,781 in 2015 was the result of selling GRO shares below the market price at the date the agreement with GRO was signed for the NSR sale; and
- Loss on settlement of payables of $nil (2015 - $2,053,201) was the result of 7,607,668 common shares issued by the Company for debt settlement agreements with a group of creditors. The agreements were done on the basis of $0.10 per common share. When ultimately issued, the value of the Company's common shares was $0.37.

Additionally the company had other comprehensive income of $102,144 related to the fair value adjustment on the GRO shares at period-end and the transfer of other comprehensive losses previously recognized on the sale of GRO shares during the nine months ended February 28, 2015.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at February 29, 2016 was $2,759,683 compared to $98,606 at May 31, 2015. The working capital was $1,653,059 at February 29, 2016, compared to a deficiency of $425,630 at May 31, 2015.

For the nine months ended February 29, 2016 and to the reporting date

On July 6, 2015, the Company completed a non-brokered private placement for gross proceeds of $2,536,004 (of which $1,936,004 is for flow-through expenditures). The Company issued 6,527,274 flow-through shares at a price of $0.22 per share, 2,083,350 flow-through units at a price of $0.24 per unit and 3,000,000 non-flow-through units at a price of $0.20 per unit. Each flow-through unit consisted of one flow-through common share of the Company and one non-flow-through share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.35 per share for a period of two years. These warrants had a value of $241,634 using the pro rata method. Each non-flow-through unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.30 per share for a period of three years. These warrants had a value of $162,282 using the pro rata method.

The Company paid finder's fees of $158,020 and issued 25,000 finder's warrants valued at $3,371 with the same terms as the warrants in the non-flow-through units and 715,242 finder's warrants valued at $78,411 with the same terms as the warrants in the flow-through units. Other share issue costs of $15,059 were incurred.

During the nine months ended February 29, 2016, the Company issued 1,930,000 common shares for proceeds of $347,400 on the exercise of 1,930,000 stock options. The fair-value of the stock options of $159,828 was transferred to share capital from share-based payments reserve upon exercise.

During the nine ended February 29, 2016, the Company issued 1,593,000 common shares for proceeds of $318,600 on the exercise of 1,593,000 share purchase warrants. The value of the warrants of $58,911 was transferred to share capital from share-based payments reserve upon exercise.

On December 23, 2015, the Company completed a non-brokered private placement for gross proceeds of $3,387,392 (of which $2,980,892 is for flow-through expenditures). The Company issued 13,549,509 flow-through shares at a price of $0.22 per share, 1,532,500 non-flow-through units at a price of $0.20 per unit and 555,555 non-flow-through shares at a price of $0.18 per share. Each non-flow-through unit consisted of one common share of the Company and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.30 per share for a period of two years. These warrants had a value of $96,183 using the pro rata method.

The Company paid finder's fees of $210,912 and issued 977,127 finder's warrants valued at $100,050. Each finder's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.20 per share for a period of two years.

On January 20, 2016, the Company completed a non-brokered private placement for gross proceeds of $254,000. The Company issued 1,270,000 common shares at a price of $0.20 per share.

At February 29, 2016, the Company had a remaining commitment to incur exploration expenditures in relation to its July 2015 and December 2015 flow-through share financings of $3,032,120.

Subsequent to February 29, 2016, an additional $592,281 of non-flow-through financing was raised from the exercise of 300,000 stock options and 2,498,907 share purchase warrants.

Subsequent to February 29, 2016, the Company issued 14,528,388 common shares as acquisition costs and finder's fees for the St-Cyr, West Lacroix Lake, Lac Barry, Macho South, Barry, Bailly and Larder Lake properties.

In order to fund operations for the 2016 fiscal year and continue work on its properties, the Company will need additional financing, including non-flow-through funds to finance general and administration costs. The Company continues to actively evaluate sources of financing, including additional private placements, but there is no guarantee that financings will be available.

For the year ended May 31, 2015

During the year ended May 31, 2015, the Company sold 587,000 common shares of GRO for proceeds of $119,813. The Company recorded a realized loss on sale of $35,857. The sale of GRO shares helped the Company maintain its day-to-day operations for the period.

During the year ended May 31, 2015, the Company did not meet the flow-through expenditure requirements. Included in accounts payable and accrued liabilities at May 31, 2015 is a provision for tax liabilities as a result of not meeting the flow-through expenditure requirements of $245,000 and a provision for Part XII.6 tax and penalties of $90,000. Of the $90,000, $39,577 was accrued in 2014.

On December 22, 2014, the Company completed a non-brokered private placement for gross proceeds of $617,500. The Company issued 6,175,000 units at a price of $0.10 per unit. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.20 per share on or before December 22, 2016. These warrants had a value of $228,356 using the pro rata method. The Company paid finder's fees and other costs in relation to the private placement of $8,687 and issued 25,000 agent's warrants with a value of $1,639. Each agent's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.20 per share on or before December 22, 2016.

On February 18, 2015, the Company issued 7,607,668 common shares with a value of $2,814,837 as part of a payables settlement agreement with a group of creditors. The amount of indebtedness that was settled with the transaction was $761,636.

During the year ended May 31, 2015, the Company issued 2,534,000 common shares for proceeds of $478,425 on the exercise of 2,534,000 stock options. The fair-value of the stock options of $213,489 was transferred to share capital from share-based payments reserve upon exercise.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

The following expenses were incurred with directors and officers of the Company:

	Nine Months Ended February 29, 2016	Nine Months Ended February 28, 2015
Short-term compensation	$ 262,000	$ 136,194

During the nine months ended February 29, 2016, short-term compensation to related parties consisted of $149,000 in management and director fees (2015 - $120,194), $95,000 in deferred exploration costs (2015 - $nil) and $18,000 in professional fees (2015 - $16,000).

Short-term compensation was paid as follows:

- $135,000 to a private company controlled by the President & CEO (2015 - $105,000);
- $14,000 to a director of the Company for director fees (2015 - $nil);
- $18,000 to a private company in which the CFO is a director (2015 - $5,000);
- $70,000 to the VP Exploration of the Company for deferred exploration costs (2015 - $nil);
- $25,000 to a director of the Company for deferred exploration costs (2015 - $nil);
- $nil to the former CFO (2015 - $11,000); and
- $nil to a Company controlled by the former CEO (2015 - $15,194).

During the nine months ended February 29, 2016, the Company paid $nil for rent expense to a company related by a common director (2015 - $11,614).

As at February 29, 2016, the Company had outstanding amounts payable to officers and directors of the Company of $13,267 (May 31, 2015 - $7,350) for outstanding fees. The amounts payable are non-interest-bearing, uncollateralized and are payable on demand.

At February 29, 2016, included in prepaid expenses was a $nil (May 31, 2015 - $100,000) retainer for exploration expenses paid to a company of which the principal was a significant shareholder of the Company and $91,184 (May 31, 2015 - $5,250) in prepaid management fees and expenses to an officer and director of the Company.

EVENTS OCCURRING AFTER THE REPORTING DATE

The following occurred in relation to exploration projects (detailed descriptions appear previously in this MD&A):

- In consideration for the St-Cyr and West Lacroix Lake Properties, the Company issued an aggregate of 1,200,000 common shares of the Company on March 2, 2016.
- On March 10, 2016, the Company entered into an option agreement with Golden Valley Mines Ltd. ("Golden Valley") to acquire an 85% interest in Golden Valley's Lac Barry Property, comprised of 35 claims. In consideration, the Company issued 519,480 common shares of the Company on March 16, 2016.
- On March 11, 2016, the Company entered into option agreements to acquire 100% interests in the Macho South Property, the Barry Property and the Bailly Property. In consideration for the Macho South Property, the Company issued 1,200,000 common shares of the Company on March 22, 2016 to an arm's length third party. In consideration for the Barry Property, the Company issued 800,000 common shares of the Company on March 22, 2016 to an arm's length third party. In consideration for the Bailly Property, the Company issued 250,000 common shares of the Company on March 22, 2016 to Laurier.

- On March 17, 2016, the Company entered into an agreement to acquire a 100% interest in the Larder Lake Property from Kerr Mines and its wholly-owned subsidiary, Bear Lake Gold Ltd., located in the McVittie and McGarry Townships of Ontario, Canada. The terms of the agreement were amended on April 14, 2016 and TSX-V approval for the transaction was received on April 26, 2016.

Additionally, the following occurred:

- On March 30, 2016, the Company issued 3,200,000 stock options to officers, directors and consultants. The stock options are exercisable at $0.50 per share for a period of five years from the date of grant.
- Subsequent to February 29, 2016, the Company received proceeds of $547,281 on the exercise of 2,498,907 warrants and $45,000 on the exercise of 300,000 stock options.

RISKS AND UNCERTAINTIES

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments at high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

The Company's overall strategy remains unchanged from the prior year.

FINANCIAL INSTRUMENTS AND RISKS

As at February 29, 2016, the Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and due to related parties. The carrying values of these financial instruments approximate their fair values.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
Level 3 - Inputs that are not based on observable market date

The following table sets for the Company's financial assets measured at fair value by level within the fair value hierarchy:

February 29, 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 2,759,683	$ -	$ -	$ 2,759,683

May 31, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 98,606	$ -	$ -	$ 98,606

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing at major Canadian financial institutions. The Company has minimal credit risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant market risk. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of February 29, 2016 equal $1,464,146 (May 31, 2015 - $625,923). All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

CRITICAL ACCOUNTING ESTIMATES

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These consolidated financial statements do not give effect to any adjustments required to realize it assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
- The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 9 Financial Instruments (2010)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

This standard is effective for annual periods beginning on or after January 1, 2018.

OTHER INFORMATION

As at April 27, 2016 the Company had the following securities issued and outstanding:

	April 27, 2016	February 29, 2016	May 31, 2015
Common Shares	70,760,782	53,231,255	21,190,067
Warrants	9,650,062	12,148,969	6,200,000
Stock Options	5,800,000	2,900,000	556,000
Fully Diluted Shares	86,210,844	68,280,224	27,946,067