BONTERRA

REPORT FOR THE SIX MONTHS ENDED NOVEMBER 30, 2018
MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the six months ended November 30, 2018 contains forward-looking information, including forward-looking information about Bonterra Resources Inc.'s (the "Company" or "Bonterra") 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 Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for six months ended November 30, 2018 should be read in conjunction with the condensed consolidated interim financial statements as at November 30, 2018. This MD&A is effective January 29, 2019. 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 six months ended November 30, 2018 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on May 1, 2007. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "BTR". The Company's shares also trade on the OTC Exchange in the United States under the symbol "BONXF" and on the Frankfurt Stock Exchange under the symbol "9BR1".

The Company was a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties. On September 24, 2018, the Company completed the acquisition of Metanor Resources Inc. ("Metanor"), a Québec-based corporation engaged in the production and sale of gold, as well as the exploration and development of mining properties. The Company remains focused on exploration and development.

Prior to the acquisition, the Company completed a Plan of Arrangement whereby the Company spun-out its Larder Lake Project assets and liabilities and $7,000,000 in cash in order to create a new exploration company, Gatling Exploration Inc. ("Gatling"), by way of Plan of Arrangement under the *Business Corporations Act* (British Columbia). Each holder of common shares of the Company received one Gatling common share for every seven common shares of the Company held.

On November 6, 2018, the Company consolidated its common shares on a one new share for ten old shares basis. All share and per share amounts have been revised to reflect the consolidation.

BOARD OF DIRECTORS

Nav Dhaliwal
Position: President, Chief Executive Officer & Director

Mr. Dhaliwal has 20 years of leadership and entrepreneurial experience, as well as in corporate and business development. Successful startup and financing expert in numerous active junior resource companies.

Greg Gibson
Position: Executive Chairman

Mr. Gibson is President and CEO of Sprott Mining and Jerritt Canyon Gold LLC. Greg cumulates over 30 years' experience in the mining industry as a miner, mine manager, director, CEO and president. Greg's experience has focused on gold and copper mines primarily in Canada, US and Australia.

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

Mr. Ginn is a geologist with 30 years of experience in exploration and mining. Led and participated in numerous discoveries and startups. Senior positions with Sprott Mining, Jerritt Canyon, San Gold, Harmony Gold, Hudbay, Westmin, Goldcorp.

Allan J. Folk
Position: Director

Mr. Folk has over 35 years of extensive leadership experience in the Canadian mining finance industry. Currently Vice President of Brant Securities Ltd.

Richard Boulay, B.Sc.
Position: Director

Mr. Boulay has 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.

Robert Gagnon, P.Geo.
Position: Director

Mr. Gagnon has over 10 years of experience as a professional geologist, Board of Directors of the Québec Mineral Exploration Association, President of the Association des prospecteurs du Nord du Québec (circa 2012).

Tina Ouellette, CHRL, ICD.D.
Position: Director

Mrs. Ouellette has over 20 years' experience in Human Resources and management acquired through a number of senior positions with Lake Shore Gold Corp., FNX Mining, Dynatec and Domtar Forestry. She has a proven track record in providing leadership and strategy in the development and growth phase of mining operations, as well as merger and acquisition transactions.

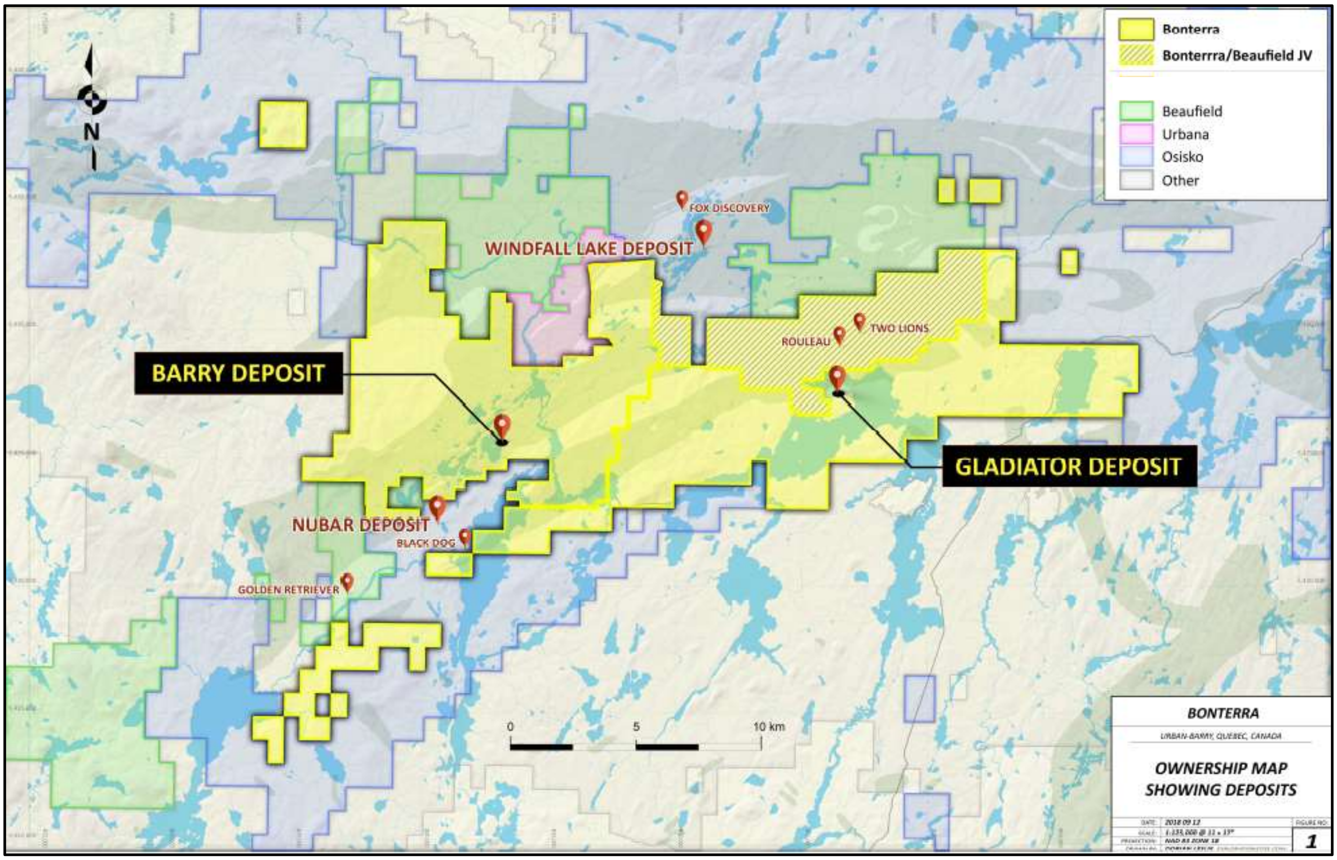
BUSINESS OF THE COMPANY

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 Company's projects include the Gladiator Deposit, and as of September 24, 2018, the Moroy Deposit and Bonterra Mill, and the Barry Deposit.

Bonterra's recent acquisition of Metanor and consolidation of the Company's databases and management have resulted in broader exploration and resource development plans. Bonterra will conduct a company-wide National Instrument 43-101 *Standards for Disclosure of Mineral Projects* mineral resource estimate for all its Urban-Barry exploration assets, including the Gladiator, Barry and Moroy deposits. The combined mineral resource estimate is part of Bonterra's strategy to fast track the development of the three deposits simultaneously, to optimize feed to the Urban-Barry Mill over the life of the three mines.

On January 21, 2019, the Company announced that in order to concentrate on the exploration of all three deposits, the Company's mining operations in Québec will be placed on care and maintenance.

BONTERRA EXPLORATION PROJECTS – URBAN-BARRY, QUÉBEC



(i) COLISEUM PROPERTY

The Company acquired a 100% interest in 95 claim blocks in Québec at a cost of $20,000 (paid), the issuance of 5,000 common shares to the vendors (issued), 544 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 return royalty ("NSR"), of which 0.5% can be purchased by the Company for $1,000,000.

(ii) WEST ARENA PROPERTY

The Company entered into an option agreement on September 15, 2010, and as amended February 8, 2011 and March 19, 2012, to acquire a 100% interest in 23 additional mineral claims adjacent to the Coliseum claims in Québec for aggregate consideration of $10,000 cash (paid), 8,750 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 285 shares was paid in connection with this acquisition. On November 7, 2013, the Company sold a 1% NSR interest in the West Arena property.

(iii) EAST ARENA PROPERTY

On December 30, 2010, the Company closed and received approval from the TSX-V for a property purchase agreement entered into on December 10, 2010 to acquire a 100% interest in 57 mineral claims east of the Urban-Barry Township in Québec. Consideration paid was 10,000 common shares valued at $860,000 based on the market price of the shares on the share issue date and cash payment 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.

(iv) ST-CYR AND WEST LACROIX LAKE PROPERTIES

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 for the St-Cyr Property, the Company issued 70,000 common shares of the Company on March 2, 2016 (valued at $224,000). In consideration for the West Lacroix Lake Property, the Company issued 50,000 common shares of the Company on March 2, 2016 (valued at $160,000). Both vendors retain a 2% NSR, each of which 1% can be purchased by Bonterra for $1,000,000.

The properties adjoin Bonterra's West and East Arena properties. Both are located approximately 90 kilometres east of Lebel-sur-Quévillon 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 mineral claims covering 733.70 hectares and the West Lacroix Lake Property consists of 18 mineral claims covering 1,016.34 hectares.

Gold mineralization found to date in the area occurs in basalts, rhyolite and the volcano-sedimentary 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, and as amended March 30, 2017, 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 covering 1,431.65 hectares adjacent to the south boundary of the Coliseum Property.

In consideration, the Company issued 51,948 common shares of the Company on March 16, 2016 (valued at $225,973) and paid $25,000 on April 3, 2017. 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 of $2,000,000 as follows:

- $250,000 before April 15, 2017 (incurred);

- an additional $750,000 on or before March 10, 2018 (incurred); and
- an additional $1,000,000 on or before March 10, 2019 (incurred).

The Lac Barry Property is located approximately 1.5 kilometres southwest of the 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 120,000 common shares of the Company on March 21, 2016 to an arm's length third party (valued at $510,000). 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 80,000 common shares of the Company on March 21, 2016 to an arm's length third party (valued at $340,000). 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 25,000 common shares of the Company on March 21, 2016 (valued at $106,250) to Laurier Gold Corporation ("Laurier"). Laurier retains a 2% NSR, of which 1% can be purchased by Bonterra for $1,000,000.

On March 21, 2016, the Company issued 20,223 common shares of the Company (valued at $85,949) as finder’s fees on the acquisitions of the Macho South, Barry and Bailly properties.

The Macho South Property is located at the extreme southwestern end of Bonterra’s Gladiator Project. The three property acquisitions, together with the 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 kilometres of prospective greenstone belt lithology and known shear zones.

(vii) THUBIERE PROPERTY

On March 10, 2017, the Company entered into an agreement to acquire a 100% interest in the Thubiére Property. In consideration, the Company paid $5,000 and issued 15,000 common shares on March 21, 2017 (valued at $54,000). The Thubiére Property (6 claims covering 338 hectares) is a strategic acquisition to the northwest of the Gladiator and Barry deposits.

(viii) LAC MISTA PROPERTY

On March 14, 2017, the Company entered into an agreement to acquire a 100% interest in the Lac Mista Property. In consideration, the Company paid $10,000 and issued 15,000 common shares on March 21, 2017 (valued at $54,000). The vendors retain a 2% gross overriding royalty reserve on the claim, of which 1% may be repurchased by the Company for $1,000,000.

(ix) TROVE PROPERTY

On March 29, 2017, the Company entered into an option agreement with Durango Resources Inc. (“Durango”) to acquire a 100% interest in the Trove Property.

In consideration, the Company was required to make payments as follows:

- cash payment of $150,000 (paid) and issuance of 150,000 common shares of the Company upon approval by the TSX-V (issued on April 17, 2017 and valued at $630,000);

- an additional cash payment of $150,000 (paid) and issuance of an additional 150,000 common shares of the Company on or before April 19, 2018 (issued on April 13, 2018 and valued at $750,000); and
- an additional cash payment of $200,000 on or before April 19, 2019.

In the event of a minimum discovery of an inferred mineral resource of 500,000 ounces or greater of gold, the Company was required to issue to Durango 200,000 common shares upon completion of a technical report.

The Company was also required to incur exploration expenditures of $1,000,000 by April 19, 2019. Durango retained a 2% NSR, of which 1% could be repurchased by the Company for $1,000,000.

In relation to the acquisition of the Trove Property, the Company paid a finder's fee of 26,728 common shares (issued and valued at $112,259).

During the six months ended November 30, 2018, the Company terminated its option on the Trove Property.

(x) DUKE PROPERTY

On July 6, 2018, the Company entered into an agreement with Beaufield Resources Inc. to acquire a 70% interest in the Duke Property, located in Québec. In consideration, the Company must make payments as follows:

- Cash payment of $250,000 (paid) and issue 400,000 common shares of the Company upon acceptance by the TSX-V (issued on July 12, 2018 and valued at $1,600,000);
- An additional $250,000 on or before July 6, 2019; and
- An additional $250,000 on or before July 6, 2020.

The Company must also incur exploration expenditures as follows:

- $1,500,000 on or before July 6, 2019;
- An additional $1,500,000 on or before July 6, 2020; and
- An additional $1,500,000 on or before July 6, 2021.

The Duke Property is subject to an underlying 2.3% NSR, of which 1% can be purchased for $1,000,000.

The Property is an assemblage of contiguous mineral claims located immediately adjacent to the northern boundaries of the Company's Urban-Barry properties containing the Gladiator Deposit and extensions. This includes a narrow inset of claims that interrupt the western continuity of claims in the Gladiator region known as "The Gap". This land package also contains numerous gold showings with expansion potential, including Lac Rouleau and Zone 18. The general geology is considered to be similar to that of the Gladiator area, with numerous occurrences of structurally controlled shear hosted vein mineralization on or near mafic volcanic contacts in proximity to both felsic and mafic intrusive units.

(xi) Maximus Property

On July 23, 2018, the Company entered into an agreement to acquire a 100% interest in the Maximus Property, located in Québec, at a cost of $200,000 (paid).

2017 Exploration Program

On January 31, 2017, the Company announced that multiple high-grade intersections had been discovered at the Deep Eastern Zone of the Gladiator Deposit. Assays from significant intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-17-01	262.0	272.0	10.0	1.6	New (East Side)
	367.0	375.5	**8.5**	**15.7**	Footwall
	566.0	571.0	**5.0**	**20.7**	Main

**Stated lengths are core width as drilled, true widths have not yet been determined. Core axis angles of the intersection contacts and surrounding rock units average 55 degrees.*

On February 2, 2017, the Company announced positive drilling results from the "Rivage Gap Western Extension". Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-16-47	254.0	255.0	1.0	5.6	Main
	376.0	379.0	3.0	2.0	New
BA-16-48	358.0	359.0	1.0	14.9	Footwall
	394.0	397.8	3.8	16.8	Main

**Stated lengths are core width as drilled, true widths have not yet been determined. Core axis angles of the intersection contacts and surrounding rock units average 55 degrees.*

On May 16, 2017, the Company announced further drill results from the "Rivage Gap". Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area West - Rivage Gap
BA-17-04	88.8	93.0	4.2	9.5	North
	233.0	237.0	4.0	10.0	Footwall
	272.0	297.0	25.0	1.4	Porph/Main
including	272.0	275.0	3.0	3.6	
BA-17-07	355.0	358.0	3.0	12.0	Main
BA-17-08	210.0	211.0	1.0	7.5	North
	264.0	265.0	1.0	8.0	Mid
	300.2	302.0	1.8	6.4	Footwall
	390.0	395.7	5.7	3.4	Main
BA-17-09	67.0	68.8	1.8	9.0	Footwall
BA-17-10	177.5	179.0	1.5	5.6	North
	198.5	202.0	3.5	8.4	Footwall
	212.5	215.0	2.5	5.2	Mid
	237.0	239.0	2.0	5.3	Main

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

All intersections from the above table are located within a length or gap of drill information between the westernmost Rivage area and the known portion of the Gladiator Deposit. The high-grade Main, Footwall and North Zones are in or near the sheared contact between mafic volcanic units and a mineralized felsic porphyritic intrusive.

On June 6, 2017, the Company announced that drilling from its ongoing resource development program discovered an additional parallel gold zone to the south and west of the main Gladiator Gold Deposit. The new zone lies within the "Rivage Gap" and was intersected by four drill holes to date, with BA-17-12, which intersected 3.0 m of 8.8 g/t, being the most predominant and westerly hole to date. Assays from selected intersections were reported as follows:

Hole	**From (m)**	**To (m)**	**Length* (m)**	**Grade (g/t Au)**	**Zone/Area West - Rivage Gap**
BA-17-06	37.0	38.0	1.0	7.1	Footwall
	477.0	479.0	2.0	1.4	Main
BA-17-11	424.0	427.6	3.6	12.7	Main
BA-17-12	17.0	19.0	2.0	11.1	Main
	32.0	34.0	2.0	3.5	Mid
	346.7	349.7	3.0	8.8	New South

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

All intersections from the above table are located within a length or gap of drill information between the westernmost Rivage area and the known portion of the Gladiator Deposit. The high-grade Main, Footwall and North Zones are in or near the sheared contact between mafic volcanic units and a mineralized felsic porphyritic intrusive.

On July 20, 2017, the Company announced that the current resource development program in and around the Gladiator Gold Deposit has successfully further extended the newly discovered South Gold Zone (see release dated June 6, 2017) by over 300 metres to depth. Assays from selected intersections were reported as follows:

Hole	**From (m)**	**To (m)**	**Length* (m)**	**Grade (g/t Au)**	**Zone/Area Mid Rivage Gap**
BA-17-15	**920.0**	**924.0**	**4.0**	**9.1**	**Main**
BA-17-16	418.0	420.0	2.0	3.1	North
BA-17-21	**572.0**	**575.0**	**3.0**	**21.5**	**North**
	618.0	621.0	3.0	2.2	FW
BA-17-22	**712.2**	**716.0**	**3.8**	**12.0**	**New South**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On September 14, 2017, the Company announced that the recent exploration activities located west of the Gladiator Deposit and within the extensive Coliseum Property have led to the discovery of a new gold- and silver-bearing horizon ("Temica Gold Zone"), located approximately four kilometres to the southwest of the Gladiator Deposit. Assays from selected intersections were reported as follows:

Hole	**From (m)**	**To (m)**	**Length* (m)**	**Grade**		**Zone/Area**
				(g/t Au)	**(g/t Ag)**	
CL-17-14	394.5	397.2	2.7	4.7	44.6	Temica
CL-17-06	351.0	352.0	1.0	13.0		Temica
CL-17-01	64.0	65.0	1.0	4.8		Temica

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On September 18, 2017, the Company announced that the ongoing resource development program in and around the Gladiator Gold Deposit has successfully further extended the Main, Footwall and North Zones by increasing the strike and depth by up to 300 metres to the known mineralized horizons. Assays from selected intersections were reported as follows:

Hole	**From (m)**	**To (m)**	**Length* (m)**	**Grade (g/t Au)**	**Zone/Area**
BA-17-20	**779.0**	**782.0**	**3.0**	**10.4**	Main
BA-17-23	**541.5**	**544.5**	**3.0**	**10.1**	Footwall Zone
BA-17-28	700.5	704.0	3.5	5.3	Main
BA-17-30	630.0	632.0	2.0	6.0	North
BA-17-31	661.0	669.3	8.3	5.1	North
	810.5	813.3	2.8	3.8	Main
BA-17-32	901.0	905.0	4.0	5.6	Main

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On November 9, 2017, the Company announced that the ongoing resource development program in and around the Gladiator Gold Deposit has increased the width of the Main Zone and extended the strike length of multiple gold-bearing horizons. Assays from selected intersections were reported as follows:

Hole	**From (m)**	**To (m)**	**Length* (m)**	**Grade (g/t Au)**	**Zone/Area**
BA-17-33	791.0	792.0	1.0	13.9	Main Zone
BA-17-35	1,272.0	1,273.0	1.0	6.4	North Zone
BA-17-36	**551.0**	**553.0**	**2.0**	**14.0**	**Footwall Zone**
	658.0	660.0	2.0	11.2	South Zone
BA-17-37	644.5	646.0	1.5	17.6	South Zone
BA-17-38	706.0	710.0	4.0	7.3	North Zone
	862.6	**872.0**	**9.4**	**8.2**	**Main Zone**
BA-17-39B	639.0	641.0	2.0	10.4	Main Zone
	474.0	**479.0**	**5.0**	**11.5**	**Footwall Zone**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On November 16, 2017, the Company announced the identification of a fifth new parallel gold zone at the Gladiator Gold Deposit. This new "Barbeau Zone", intersected by six drill holes up to 800 metres below surface, was identified south of the "South Zone". Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-16-05	290.7	294.0	3.3	28.5	Barbeau Zone
BA-16-07	378.0	381.0	3.0	20.7	Barbeau Zone
BA-17-12	346.7	349.7	3.0	8.8	Barbeau Zone
BA-17-22	712.2	716.0	3.8	11.9	Barbeau Zone
BA-17-24	**983.0**	**985.0**	**2.0**	**7.8**	**Barbeau Zone**
BA-17-40A	**911.5**	**913.4**	**1.9**	**22.2**	**Barbeau Zone**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On December 5, 2017, the Company announced continued success from its ongoing resource development program at the Gladiator Gold Deposit. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-17-42	179.0	182.0	3.0	9.6	North Zone
BA-17-42A	269.0	271.0	2.0	5.2	Footwall Zone
	556.0	560.0	4.0	18.5	South Zone
BA-17-43B	472.0	474.0	2.0	5.8	North Zone
BA-17-44	575.8	579.0	3.2	11.9	South Zone
BA-17-46	425.8	428.5	2.7	10.9	North Zone
BA-17-48	250.7	257.0	6.3	10.1	Footwall Zone

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

2018 Exploration Program

On February 6, 2018, the Company announced that the ongoing resource development program at the Gladiator Gold Deposit has extended the North, Footwall and Main Zones by 200 metres down-plunge to the east. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-17-45B	783.0	786.3	3.3	15.8	Main Zone
	909.0	912.0	3.0	4.3	South Zone
BA-17-46	425.8	428.5	2.7	12.4	North Zone
	450.9	454.0	3.1	26.7	North Zone
	660.5	663.5	3.0	8.8	Main Zone
BA-17-48	250.7	257.0	6.3	10.1	Footwall Zone
	266.9	268.9	2.0	4.6	Main Zone
BA-17-49B	602.0	604.0	2.0	4.9	Main
	765.0	767.0	2.0	4.7	South
BA-17-50	501.6	503.0	1.4	6.6	Main Zone
BA-17-53B	651.0	652.9	1.9	6.2	North Zone
	884.5	888.0	3.5	4.8	Footwall Zone
	930.2	932.0	1.8	4.9	Main Zone

** Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On March 20, 2018, the Company announced initial results from the winter drilling campaign. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
MT-18-01	56.1	59.0	2.9	8.4	Main Zone
MT-18-01	60.4	64.0	3.6	8.6	Main Zone
MT-18-02	39.7	43.7	4.0	9.3	Main Zone
BA-18-03A	956.0	958.0	2.0	3.5	Main Zone
BA-18-04	153.5	160.0	6.5	16.9	Main Zone
BA-18-04	294.4	295.9	1.5	14.1	South Zone

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On April 3, 2018, the Company announced further results from the winter drilling campaign. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-05	**655.5**	**658.6**	**3.1**	**9.3**	**North Zone**
BA-18-05	777.7	779.2	1.5	4.2	Footwall Zone
BA-18-05	787.0	788.3	1.3	6.9	Main Zone
BA-18-05	1,017.3	1,018.5	1.2	3.5	Barbeau Zone
BA-18-06	257.0	259.0	2.0	4.7	North Zone
BA-18-06	575.0	577.5	2.5	6.1	South Zone
BA-18-07	12.7	14.0	1.3	8.8	North Zone
BA-18-07	115.0	116.0	1.0	3.0	Main Zone
BA-18-07	299.0	300.2	1.2	5.8	South Zone
BA-18-08	**309.0**	**312.0**	**3.0**	**17.8**	**South Zone**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On April 9, 2018, the Company announced the first significant intersections of a new "sixth parallel" gold zone at the Gladiator Gold Deposit. This newly discovered gold zone, located approximately 50 metres south of the Barbeau Zone, is parallel to and geologically similar to the other five mineralized zones currently modelled at the expanding deposit. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-09	170.0	172.0	2.0	3.9	North
BA-18-09	375.7	377.0	1.3	5.9	FW
BA-18-09	438.0	439.1	1.1	3.5	Main
BA-18-09	**764.0**	**766.6**	**2.6**	**11.8**	**New**
BA-18-10A	**681.5**	**683.7**	**2.2**	**16.5**	**Main**
BA-18-11	61.5	63.0	1.5	4.9	Main
BA-18-11	103.0	105.0	2.0	8.5	South
BA-18-11	118.8	120.4	1.6	7.7	South
BA-18-11	**177.0**	**179.4**	**2.4**	**10.1**	**Barbeau**
BA-18-11	308.0	310.0	2.0	6.4	New
BA-18-12	**266.0**	**269.4**	**3.4**	**16.3**	**South**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On April 17, 2018, the Company announced that it received highly positive results for its preliminary metallurgical testwork, which forms part of its ongoing Resource Development Program.

ALS Metallurgy ("ALS") of Kamloops, British Columbia, was contracted to complete Gravity Concentration, Flotation and Cyanide leach testing for the Gladiator Gold Deposit. The studies included grind optimization, gravity separation, flotation and cyanide leach testing, and were intended to provide an initial look at the characteristics of mineralization to help guide future optimization test work and processing flow sheet specifications.

Overall, the metallurgical testing and microscopic analysis indicate that the mineralization is relatively simple with no deleterious elements, and pre-concentration could potentially be achieved by a low capital-intensive processing sequence, which will likely include crushing, grinding, gravity concentration and flotation. The process is a relatively benign one, and also offers potential environmental permitting advantages, as well as significant savings in transportation costs. These results are part of an ongoing comprehensive metallurgical program designed to define the processing parameters, establish grade-recovery relationships and optimize gold recovery for a potential future Gladiator milling facility.

ALS completed testing on approximately 35 kilograms of composite sample from the Main Zone with an average head grade of 9.0 g/t Au from two wide diameter holes, MT-18-01 and MT-18-02. The composite sample was selected to be representative of the deposit mineralization based on mineralogy, grade and location. Head assay results from the metallurgical testing ranged from 8.0 g/t Au to 10.0 g/t Au and showed excellent grade reconciliation with initial drill hole assays.

Four kilograms of the sample, at three different grind sizings, were submitted for gravity separation using a Knelson concentrator. Gold recovery by the Knelson gravity separation was followed by hand panning to produce a final gravity concentrate mass that is more representative of plant operation. The pan concentrate, pan tailings and Knelson concentrator tails were assayed for gold and determined that gold in the samples were highly amenable to gravity recovery.

Results of the Gravity concentration gold recovery tests are summarized below:

Test	Size	Feed Grade (g/t Au)	Knelson Tails (%)	Pan Tails (%)	Pan Concentrate (%)	Pan Concentrate (g/t Au)
1	169 μm K_{80}	9.19	20.0	11.7	68.3	3,627
2	136 μm K_{80}	9.86	13.6	11.9	74.5	4,437
3	83 μm K_{80}	8.70	13.0	10.8	76.1	6,461

Results of the Flotation concentration gold recovery tests are summarized below:

Test	Size	Feed Grade (g/t Au)	Gravity Recovery Distribution %		Rougher Recovery Distribution %		Total Recovery Distribution %	
			Au	*S*	*Au*	*S*	*Au*	*S*
4	169 μm K_{80}	10.0	73.0	18.8	23.5	72.0	96.5	90.8
5	136 μm K_{80}	8.00	70.9	17.1	26.0	73.9	96.8	91.0
6	83 μm K_{80}	8.28	73.8	**13.0**	**23.5**	**78.5**	**97.3**	**88.2**

Results of the Cyanide concentration gold recovery tests are summarized below:

Test	Size	Leach Feed (Gravity Tails)	Au Recovery Gravity (%)	Leach Extraction (%)	Au Recovery Gravity Tails (%)	Au Recovery Total (%)
7	169 μm K_{80}	Test 1	68.3	30.7	30.7	99.0
8	136 μm K_{80}	Test 2	74.5	24.9	24.9	99.4
9	83 μm K_{80}	Test 3	76.1	23.1	23.1	99.2

A kinetic rougher test was included in each flotation feed sizing. This test determined that gold in the samples is highly amenable to recovery using a standard froth flotation circuit.

Gravity plus cyanidation leach tests were completed, and it was determined that gold in the samples responded excellent to conventional leaching. Three of the tests were conducted on the samples at each grind sizing, and three of the tests were conducted on the rougher flotation tailings.

On June 4, 2018, the Company announced drill results that further extended the South Zone to the west by approximately 50 metres. Positive assay results from ten recent drill holes have extended the known dimensions of the mineralization in multiple zones westward and to surface at the Rivage Gap area. Assays from selected intersections were reported as follows:

Hole	**From (m)**	**To (m)**	**Length* (m)**	**Grade (g/t Au)**	**Zone/Area**
BA-18-14	**600.0**	**602.0**	**2.0**	**10.2**	**Main**
	733.6	734.6	1.0	6.4	South
BA-18-15	**116.0**	**118.0**	**2.0**	**13.9**	**Main**
BA-18-17	67.4	68.5	1.1	5.5	North
	141.4	**144.3**	**2.9**	**8.0**	**Footwall**
	147.0	148.0	1.0	4.6	Footwall
BA-18-18	61.0	62.3	1.3	4.0	North
BA-18-19	679.0	680.0	1.0	13.4	Footwall
BA-18-20	68.0	69.0	1.0	14.2	North
	203.0	204.0	1.0	7.3	Footwall
BA-18-22A	274.7	275.8	1.1	4.5	North
	637.8	**639.0**	**1.2**	**19.8**	**South**
BA-18-23	406.0	408.0	2.0	4.6	South
BA-18-24	308.0	308.6	0.6	16.3	Footwall
	353.5	355.0	1.5	5.1	Footwall
BA-18-25	**274.2**	**277.0**	**2.8**	**34.3**	**North**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On June 13, 2018, the Company announced drill results that extended a high-grade ore shoot of the Footwall Zone up-plunge to the west in the Rivage Gap area. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-27A	**406.0**	**408.0**	**2.0**	**7.2**	**North**
	614.0	**617.0**	**3.0**	**4.6**	**Main**
BA-18-28	355.7	357.0	1.3	5.3	North
BA-18-30	441.5	442.6	1.1	5.3	North
	708.0	**713.0**	**5.0**	**24.3**	**Main**
BA-18-31	**677.0**	**680.5**	**3.5**	**9.6**	**Main**
BA-18-34	**337.0**	**340.0**	**3.0**	**44.9**	**Footwall**
BA-18-35	467.8	469.0	1.2	4.3	South
BA-18-36	**510.0**	**513.0**	**3.0**	**8.4**	**North**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On July 11, 2018, the Company announced drill results increasing the down-plunge size of the South Zone high-grade extent, and demonstrating continuity of mineralization. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-39	**480.5**	**482.0**	**1.5**	**19.8**	**Main Zone**
	555.0	**557.0**	**2.0**	**30.5**	**South Zone**
BA-18-39	579.0	583.0	4.0	4.2	Barbeau Zone
BA-18-40	422.0	423.0	1.0	6.3	North Zone
BA-18-41	558.2	560.0	1.8	7.1	North Zone
	582.9	**585.0**	**2.1**	**10.3**	**Footwall Zone**
BA-18-42	**332.9**	**334.9**	**2.0**	**18.7**	**Footwall Zone**
	538.1	539.1	1.0	5.7	Barbeau Zone
BA-18-43	**431.0**	**432.0**	**1.0**	**11.4**	**North Zone**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On July 17, 2018, the Company announced drill results extending the Footwall Zone down-plunge to the east. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-44	355.0	357.0	2.0	9.1	Footwall Zone
BA-18-45	406.0	407.3	1.3	4.9	Footwall Zone
	585.0	586.0	1.0	7.9	Main Zone
BA-18-47	285.0	286.0	1.0	8.4	North Zone
	469.0	470.0	1.0	7.1	Main Zone
BA-18-48	458.5	459.8	1.3	12.6	North Zone
BA-18-49A	464.5	466.0	1.5	12.2	North Zone
BA-18-50	544.0	547.0	3.0	8.4	South Zone
BA-18-54	743.0	744.0	1.0	12.6	North Zone
	781.0	783.7	2.7	15.3	Footwall Zone

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On September 14, 2018, the Company announced drill results. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-53A	605.0	607.0	2.0	6.5	North
BA-18-53A	614.0	617.0	3.0	4.0	North
BA-18-53A	684.0	687.0	3.0	4.5	Footwall
BA-18-53A	988.0	991.0	3.0	29.6	South
BA-18-54	564.0	567.0	3.0	9.4	North
BA-18-56	466.0	468.0	2.0	6.0	South
BA-18-57A	607.0	608.0	1.0	9.5	Main
BA-18-58	741.0	742.5	1.5	4.1	Main
BA-18-58	882.0	883.5	1.5	12.3	South
BA-18-61B	443.6	444.8	1.2	4.3	Main
BA-18-61B	504.0	505.1	1.1	5.6	South
BA-18-61B	722.0	724.0	2.0	6.9	Barbeau
BA-18-62	540.5	542.5	2.0	17.7	Main
BA-18-62	585.0	586.0	2.0	5.8	South
BA-18-62	594.0	596.0	2.0	9.8	South
BA-18-62	614.3	615.0	0.7	8.8	Barbeau
BA-18-62	619.2	622.5	3.3	5.5	Barbeau

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On September 19, 2018, the Company announced the discovery of a new high-grade gold zone near surface to the north of the Gladiator Gold Deposit. This new high-grade mineralization is located approximately 200 metres north of the most northerly Gladiator zone (North Zone) and was located by drill hole BA-18-60 above 100 metres in depth. The mineralization and characteristics of this zone are very similar to the Gladiator Deposit and are similar to the Company's current geological model. The model consists of parallel veins or zones and is open along strike and at depth. The recently optioned "Duke" property boundary areas have allowed the Company access for exploration into these areas of interest. This high-grade intersection occurs on Bonterra's 100% owned Gladiator property. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-60	96.0	103.0	7.0	27.4	New
BA-18-60	777.2	784.2	7.0	14.8	Main
BA-18-60	851.0	852.0	1.0	7.1	Other
BA-18-60	904.2	905.9	1.7	7.0	South

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On September 14, 2018, the Company announced drill results. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-63	484.3	485.3	1.0	9.1	Main
BA-18-63	502.0	503.0	1.0	8.9	Main
BA-18-63	**564.7**	**568.0**	**3.3**	**37.5**	**South**
BA-18-64	602.0	604.0	2.0	5.9	Main
BA-18-64	608.0	609.0	1.0	7.6	Main
BA-18-65	**460.0**	**462.0**	**2.0**	**11.9**	**North**
BA-18-65	**663.9**	**665.5**	**1.6**	**13.3**	**Main**
BA-18-65	**847.0**	**849.0**	**2.0**	**9.8**	**South**
BA-18-67A	**444.0**	**446.0**	**2.0**	**8.5**	**Main**
BA-18-69	**494.0**	**496.0**	**2.0**	**9.0**	**Main**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On November 20, 2018, the Company announced drill results. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-109	155.0	156.5	1.5	5.6	Titan
CL-17-31	257.0	260.0	3.0	5.5	Coliseum

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

On December 6, 2018, the Company announced drill results. Assays from selected intersections were reported as follows:

Hole	From (m)	To (m)	Length* (m)	Grade (g/t Au)	Zone/Area
BA-18-71A	965.0	967.0	2.0	5.5	Footwall
BA-18-72	**262.9**	**265.0**	**2.1**	**7.3**	**New North**
BA-18-72	377.5	378.7	1.2	14.1	North
BA-18-73	536.0	538.0	2.0	4.9	Footwall
BA-18-74	91.2	93.0	1.8	5.4	South
BA-18-75	803.0	805.0	2.0	4.1	North
BA-18-78	1003.9	1005.0	1.1	5.4	North
BA-18-81	289.5	291.5	2.0	7.1	Footwall
BA-18-81	**354.0**	**356.6**	**2.6**	**18.0**	**North**
BA-18-82	200.8	201.8	1.0	5.2	New North
BA-18-83	**141.4**	**148.7**	**7.3**	**13.7**	**Main**
BA-18-88	**127.9**	**130.0**	**2.1**	**6.5**	**New North**
BA-18-90	**427.0**	**429.0**	**2.0**	**25.9**	**Footwall**
BA-18-93	68.5	70.0	1.5	4.8	New North
BA-18-93	**79.0**	**81.0**	**2.0**	**4.7**	**New North**
BA-18-95	59.0	60.0	1.0	4.4	New North
BA-18-95	**220.0**	**223.8**	**3.8**	**4.8**	**New North**
BA-18-95	460.5	462.3	1.8	4.7	New North
BA-18-95	502.9	505.0	2.1	5.7	New North
BA-18-95	580.0	581.0	1.0	4.0	New North
BA-18-95	650.0	651.0	1.0	7.7	North
BA-18-95	860.0	862.0	2.0	4.8	Footwall
BA-18-102	203.0	205.0	2.0	3.7	Rivage
BA-18-102	**252.1**	**253.5**	**1.4**	**10.6**	**Rivage**
BA-18-102	269.8	271.2	1.4	5.6	Rivage
BA-18-108	**293.5**	**296.0**	**2.5**	**11.4**	**New North**

**Stated lengths are core width as drilled, true widths vary and average between 60 and 80 percent of drilled widths. Core axis angles of the intersection contacts and surrounding rock units average 55 to 70 degrees.*

The ongoing resource development program continues to expand and define the Gladiator Gold Deposit ahead of the upcoming mineral resource estimate. One drill remains active at the Gladiator Deposit to expand the footprint of the known mineralization at the new Titan zone discovery. The Gladiator deposit remains open in all directions.

Follow-up drilling to the recently discovered Titan Extension of the Gladiator Deposit has confirmed and expanded on the initial discovery with drill hole **BA-18-116** intersecting **12.4 g/t Au over 5.3 m**. This intersection is located approximately 2 km northeast of the Gladiator Deposit along strike and is 200 m below surface. Drilling in 2019 will be focused on resource expansion along strike and at depth as well as infilling high-grade chutes of the main deposit below 400 m depth to further prove the continuity of these new zones.

Bonterra has determined that these new extensions at Gladiator Deposit should be incorporated into the resource as much as possible given that the Company has only recently gained full access to drill these areas via the Duke option. The company-wide mineral resource estimate will allow Bonterra to incorporate drill results from late 2018 and early 2019 at the Gladiator deposit into the study while data is being prepared for the estimate at the Barry and Moroy deposits.

METANOR PROPERTIES

Bachelor Mine

The Bachelor Mine is located 4 kilometres south of Highway 113, or 90 kilometres northeast of the city of Lebel-sur-Quévillon, Québec, Canada. The mine is connected to the provincial electrical grid and has access to high-speed internet and mobile phone service on site. The mine has a sleep camp to lodge and cater to all of the workers. The mill and tailing facility are fully functional with all the social and environmental licenses in place. As noted previously in this MD&A, the Company's mining operations in Québec will be placed on care and maintenance.

Urban-Barry Mill

The Urban-Barry Mill is the only permitted mill in the region, with more than 15 high-grade gold deposits within a 110 kilometre radius of the mill site. The mill is accessible by a paved highway with a network of logging roads linking the other properties in the area to feed the mill. Bonterra will undertake a mill expansion project in order to increase the production capacity of the Urban-Barry Mill from 1,200 tpd to 2,400 tpd.

From the date of acquisition to November 30, 2018, a total of 2,569 tonnes were milled at a feed grade of 3.0 (g/t) and a mill recovery rate of 96%. A total of 234 ounces were produced and 1,936 ounces were sold.

Moroy Deposit

The Moroy Deposit is a recent discovery at the Urban-Barry Mill property with access via the Bachelor Mine. Current development consists of three sub-drifts and a series of raises, accessed from the 11th level at Bachelor. Extensive drill information exists from surface, as well as from the 11th level to a depth of approximately 2,000 feet, effectively resulting in the existence of two unmined parallel mineralized zones that have not yet been quantified.

Barry Deposit

The Barry Deposit is permitted for initial mine development access and bulk sampling, with decline and cross cut development currently underway. Recent drilling has resulted in the expansion of high-grade areas down plunge at each known strike extent. Bonterra expects to rapidly increase the size of the Barry Deposit especially at depth, given that very little drilling has previously taken place below 300 metres depth over a one kilometre strike length.

Bonterra has completed extensive geological modelling at both the Barry and Moroy deposits, which are now being used to complete the upcoming mineral resource estimates. The mineral resource estimate will be the first to evaluate the high-grade underground mineralization at the Barry Deposit and the recently discovered Moroy Deposit.

SELECTED ANNUAL INFORMATION

	May 31, 2018	May 31, 2017 (restated*)	May 31, 2016 (restated*)
Revenue	$NIL	$NIL	$NIL
Net loss	(22,002,860)	(14,569,838)	(13,745,622)
Comprehensive loss	(22,002,860)	(14,569,838)	(13,745,622)
Basic and diluted loss per share	(1.11)	(1.41)	(3.15)
Total assets	28,125,586	14,073,824	684,720
Total current liabilities	6,808,404	1,600,150	840,446

* See "Change in Accounting Policy"

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below. The quarters from August 31, 2016 to February 28, 2018 have been restated. See "Change in Accounting Policy".

For the Quarters Ending	November 30, 2018 $	August 31, 2018 $	May 31, 2018 $	February 28, 2018 $
Revenue	3,380,728	-	-	-
Gross loss	(4,555,589)	-	-	-
Administration expenses	5,504,845	1,560,492	1,161,157	2,565,072
Exploration expenses	59,586,497**	8,366,638	9,304,374	4,929,544
Other income	(1,538,050)	(2,344,246)	(2,341,575)	(1,489,690)
Loss for the period	68,108,881	7,582,884	8,123,956	6,004,926
Basic and diluted loss per share	2.26	0.33	0.36	0.31
Total assets	57,437,651	21,215,157	28,125,586	37,797,275
Total current liabilities	23,209,072	5,305,859	6,808,404	9,062,162

**includes costs allocated as part of Metanor acquisition

For the Quarters Ending	November 30, 2017 $	August 31, 2017 $	May 31, 2017 $	February 28, 2017 $
Revenue	-	-	-	-
Gross profit (loss)	-	-	-	-
Administration expenses	1,006,619	1,032,118	3,143,892	897,132
Exploration expenses	5,031,388	4,404,000	5,486,054	2,128,171
Other income	(2,517,888)	(1,082,259)	(1,553,093)	(53,120)
Loss for the period	3,520,119	4,353,859	7,076,853	2,972,183
Basic and diluted loss per share	0.19	0.24	0.78	0.33
Total assets	23,449,188	28,179,386	14,073,824	552,152
Total current liabilities	5,264,204	7,460,026	1,600,150	1,423,995

OPERATIONS

During the three months ended November 30, 2018, the Company reported a net loss of $68,108,881 compared to a net loss for the three months ended November 30, 2017 of $3,520,119. Variations in expenses from the three months ended November 30, 2018 to 2017 are as follows:

- Consulting fees of $1,306,344 (2017 - $127,155) increased in 2018 due to transaction-related costs for the acquisition of Metanor;

- Exploration and evaluation of $59,586,497 (2017 - $5,031,388) increased due to $50,243,671 recorded on the acquisition of Metanor, along with more drilling and exploration on the Company's properties;
- Exploration and evaluation (in production) of $510,342 (2017 - $nil) is new for 2018 as a result of the acquisition of Metanor;
- Management and director fees of $716,000 (2017 - $66,000) were higher in 2018 due to timing and amount of bonuses;
- Office and general of $132,765 (2017 - $98,586) increased due to timing of expenditures and additional costs for the larger Company;
- Professional fees increased to $344,091 in 2018 from $73,060 in 2017 due to increased legal and audit fees relating to the acquisition of Metanor;
- Rent of $59,405 (2017 - $45,199) increased as the Company now has an office in Val-D'or, Québec;
- Salaries and fringe benefits of $839,757 (2017 $nil) is new for 2018 as a result of the acquisition of Metanor. The amount includes administrative staff and management;
- Share-based payments of $368,229 (2017 - $7,836) was due to the vesting of stock options previously granted to an investor relations consultant in 2017, while in 2018 it represented options granted;
- The Company incurred costs of $878,729 in shareholder communications and investor relations as compared to $407,593 in 2017. The increase is due to more marketing and promotional activity in 2018;
- Transfer agent and filing fees of $72,623 (2017 - $3,693) increased due to the acquisition and consolidation;
- Travel increased from $174,243 in 2017 to $266,899 in 2018 as a result of increased travel to conferences and to the Company's exploration sites;
- Other income of $1,301,677 (2017 - $2,466,549) related to the reduction of the other liability created by the issuance of flow-through shares at a premium. The decrease was the result of qualified expenditures made by the Company during 2018 related to flow-through shares with a lower premium;
- Interest income of $35,122 (2017 - $51,339) was for interest earned on term deposits;
- Unrealized gain on marketable securities of $314,640 (2017 - $nil) related to a change in the share price of marketable securities at period-end; and
- Interest on long-term debt of $124,820 (2017 - $nil) related to notes payable and leases of rolling stock and mining equipment acquired in the Metanor transaction.

During the six months ended November 30, 2018, the Company reported a net loss of $75,691,765 compared to a net loss for the six months ended November 30, 2017 of $7,873,978. Variations in expenses from the six months ended November 30, 2018 to 2017 are as follows:

- Consulting fees of $1,681,027 (2017 - $404,488) increased in 2018 due to the cost of the fairness opinion for the acquisition of Metanor;
- Exploration and evaluation of $67,953,135 (2017 - $9,435,388) increased due to $50,243,671 recorded on the acquisition of Metanor, along with more drilling and exploration on the Company's properties;
- Exploration and evaluation (in production) of $510,342 (2017 - $nil) is new for 2018 as a result of the acquisition of Metanor;
- Management and director fees of $832,000 (2017 - $332,000) were higher in 2018 due to timing and amount of bonuses;
- Office and general of $170,480 (2017 - $211,486) decreased in 2018 due to reductions from cost-sharing;
- Professional fees increased to $732,718 in 2018 from $107,206 in 2017 due to increased legal and audit fees relating to the acquisition of Metanor;
- Rent of $112,665 (2017 - $100,532) increased as the Company now has an office in Val-D'or, Québec;
- Salaries and fringe benefits of $839,757 (2017 $nil) is new for 2018 as a result of the acquisition of Metanor. The amount includes administrative staff and management;

- Share-based payments of $368,229 (2017 - $22,796) was due to the vesting of stock options previously granted to an investor relations consultant in 2017, while in 2018 it represented options granted;
- The Company incurred costs of $1,244,522 in shareholder communications and investor relations as compared to $614,636 in 2017. The increase is due to more marketing and promotional activity in 2018;
- Transfer agent and filing fees of $100,444 (2017 - $6,275) increased due to the acquisition and consolidation;
- Travel increased from $233,944 in 2017 to $459,708 in 2018 as a result of increased travel to conferences and to the Company's exploration sites;
- Other income of $3,364,962 (2017 - $3,501,713) related to the reduction of the other liability created by the issuance of flow-through shares at a premium. The decrease was the result of qualified expenditures made by the Company during 2018 related to flow-through shares with a lower premium;
- Interest income of $72,289 (2017 - $98,434) was for interest earned on term deposits;
- Unrealized gain on marketable securities of $414,640 (2017 - $nil) related to a change in the share price of marketable securities at period-end;
- Part XII.6 tax and penalties recovered of $143,794 (2017 - $nil) was a result of a reduction in the provision for tax liabilities related to the Company’s fiscal 2012 and 2013 flow-through share issuances; and
- Interest on long-term debt of $124,820 (2017 - $nil) related to notes payable and leases of rolling stock and mining equipment acquired in the Metanor transaction.

The Company also had revenues of $3,380,728 for the three and six months ended November 30, 2018. Costs of sales of $7,936,317 for the three and six months ended November 30, 2018 included operating costs of $7,146,182, royalties of $22,274 and depreciation and depletion of $767,861.

LIQUIDITY AND CAPITAL RESOURCES

The Company’s cash and cash equivalents at November 30, 2018 was $9,668,855 compared to $22,136,434 at May 31, 2018. The working capital was a deficit of $5,548,526 at November 30, 2018, compared to working capital of $18,206,033 at May 31, 2018.

On November 6, 2018, the Company closed a private placement for gross proceeds of $21,817,100. The Company issued 3,443,500 flow-through common shares of the Company at a price of $3.80 and 2,646,000 common shares of the Company at a price of $3.30. On November 14, 2018, the Company closed an additional tranche for gross proceeds of $99,990. The Company issued 30,300 common shares of the Company at a price of $3.30.

During the six months ended November 30, 2018, the Company issued 333,351 common shares for proceeds of $1,166,839 on the exercise 333,351 warrants.

Other liabilities of $1,826,319 at November 30, 2018 represents the remaining premium on flow-through share expenditures, and is not a cash liability. At November 30, 2018, the Company had a remaining commitment to incur exploration expenditures in relation to its February 2018 and November 2018 flow-through share financings of $13,869,569. This amount is on a cash basis, and excludes any qualifying expenditures included in accounts payable.

The Company continues to actively evaluate sources of financing, including additional private placements, but there is no guarantee that financings will be available.

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:

	Six Months Ended November 30, 2018	Six Months Ended November 30, 2017
Short-term compensation		
Exploration and evaluation expenditures	$ 182,000	$ 192,000
Management and director fees	832,000	332,000
Professional fees	105,000	45,000
Operating costs and salaries and fringe benefits	766,212	-
	1,885,212	569,000
Defined contribution pension plan (included in operating costs and salaries and fringe benefits)	7,268	-
Share-based compensation	33,156	-
	$ 1,925,636	$ 569,000

During the six months ended November 30, 2018, the Company received $42,000 (2017 - $23,155) for the recovery of rent expense from companies related by a common officer. Included in receivables at November 30, 2018 was $3,098 (May 31, 2018 - $100,871) for the recovery of shared expenses from companies related by a common officer. Included in accounts payable at November 30, 2018 was $144,952 (May 31, 2018 - $2,974) due to officers for expense reimbursements and unpaid fees. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

During the six months ended November 30, 2018, the Company paid or accrued $18,760 (2017 - $104,557) to private companies with common directors for exploration and evaluation expenditures.

EVENTS OCCURRING AFTER THE REPORTING DATE

None.

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 ongoing 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 regard 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 November 30, 2018, the Company's financial instruments consist of cash and cash equivalents, marketable securities, receivables, and accounts payable and accrued liabilities. 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 data.

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

November 30, 2018	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 9,668,855	$ -	$ -	$ 9,668,855
Marketable securities	$ 1,224,640	$ -	$ -	$ 1,224,640

May 31, 2018	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 22,136,434	$ -	$ -	$ 22,136,434
Marketable securities	$ 800,000	$ -	$ -	$ 800,000

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 and cash equivalents, by placing it at major Canadian financial institutions. Included in receivables is $2,855,348 (May 31, 2018 - $1,643,880) owing from the Canada Revenue Agency and Revenu Québec. Of the amounts owing from the Canada Revenue Agency and Revenu Québec, $924,683 has been subsequently collected. Accordingly, the Company has minimal credit risk.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- Currency risk – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

- Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates. Long-term debt bears interest at fixed rates, thus exposing the Company to the risk of changes in fair value arising from interest rate fluctuations.

- Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed to other price risk on its marketable securities and the gold price.

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 November 30, 2018 equal $22,513,047 (May 31, 2018 - $3,095,079). All of the liabilities presented as accounts payable are due within 30 days of the reporting date. The cash available is not sufficient to meet the Company's financial obligations at November 30, 2018.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 that 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 its assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects 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 condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements.

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the condensed consolidated interim financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors, including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received from previous experience and the probability of a loss being realized. Several of these factors are a source of estimated uncertainty.

Establishing cash-generating units ("CGU")

For the purpose of assessing impairment of its long-term assets, the Company determines the CGU, defined as being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The determination of the CGU and the classification of the Company's assets to the determined CGU require significant judgment having a potentially significant incidence on the result of the subsequent impairment analysis.

The Company periodically reviews the determination of the CGU and the corresponding grouping of the Company's assets, including its assets classified as common assets.

Impairment of long-term assets

The evaluation if an impairment test in accordance with International Accounting Standard ("IAS") 36 *Impairment of Assets* needs to be performed on its long-term assets requires judgment in determining whether it is likely that future economic benefits will be achieved at certain mining properties, which may be based on assumptions about future events or circumstances. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written down in the condensed consolidated interim statement of comprehensive loss in the period when the new information becomes available.

Asset retirement obligations

The Company assesses its asset retirement obligations annually. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of maintenance and restoration measures, and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the allowance. At the date of the condensed consolidated interim statement of financial position, asset retirement obligations represent management's best estimate of the charge that will result when the actual obligations are terminated.

Fair value of NSR agreements

As part of the Amending Agreement signed with Sandstorm, Metanor granted a NSR to Sandstorm for its Bachelor and Barry properties. The NSR's were recorded at fair value against property, plant and equipment and as recovery of exploration and evaluation expenses. The fair value was based on expected future discounted cash flows. The important assumptions in the calculation were as follows:

- Expected future production based on the life of mine calculation inherent to each property;

- Discount rate (between 5% and 8%); and
- Future gold price (between $1,604 and $1,616).

A change in those assumptions may generate a significant impact on the outcome of the fair value calculated.

Gold in-circuit

Given the non-observable nature of the asset, the determination of the ounces of gold in the circuit that ends up in the inventory for the condensed consolidated interim statement of financial position of the Company represents a significant estimate. A sampling is performed at each stage of the production process and recalculates the total ounces of gold included in the circuit by using an established scientific model.

Valuation of flow-through premium

The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the estimated premium that investors pay for the flow-through feature, being the portion in excess of the market value of shares without the flow-through feature issued in concurrent private placement financing. In the case that the Company did not issue non-flow-through shares together with the flow-through shares, the market value of shares without the flow-through feature will be determined using their closing quoted bid price.

Mineral reserve estimate

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Company’s properties. In order to calculate the reserves and resources that the Company considers highly likely to be able to convert into reserves, which form the life-of-mine of producing mining properties of the Company, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques and recovery rates.

Estimating the quantity and grade of the mineral reserves requires the size, shape and depth of ore bodies to be determined by analyzing geological data, such as the logging and assaying of drill samples. This process may require complex and sophisticated geological models and calculations to interpret the data.

The Company is required to determine and report on the mineral reserves in accordance with the requirements of the Canadian Institute of Mining Standards. Estimates of mineral reserves may change from period to period due to the change in economic assumptions used to estimate ore reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable mineral reserves and a portion of measured, indicated and inferred resources that the Company expects to convert into reserves may significantly affect the Company’s financial results and position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortization charges to the condensed consolidated interim statement of comprehensive loss may change, as these are calculated on the unit-of production method, or where the useful economic lives of assets change; and
- Asset retirement obligations and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities.

Included in the life-of-mine estimate are measured, indicated and inferred resources that are not converted in reserves but over which the Company has a high expectation to convert to reserves in the future. The inclusion of these resources is an estimate that has a significant impact on the above-mentioned items impacted by the life-of-mine estimate.

As at November 1, 2017, Metanor adjusted the life-of-mine estimate of its mining properties in production based on updated geological data. Consequently, the life-of-mine estimate was decreased, which will result in an increase of the yearly depreciation of property, plant and equipment amortized over the life-of-mine.

Share purchase warrant valuation

The Company measures the value of share purchase warrants issued as part of private placement units using a pro rata method. The pro rata method requires each component to be valued at fair value and an allocation of the total proceeds received based on the pro rata relative values of the components. The fair value of the common share purchase warrants is determined at the announcement date using the Black-Scholes option pricing model. Estimating fair value for share purchase warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share purchase warrant, volatility and dividend yield, and making assumptions about them.

NEW ACCOUNTING STANDARD ADOPTED DURING THE PERIOD

IFRS 9 *Financial Instruments*

The Company adopted all of the requirements of IFRS 9 as of June 1, 2018. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Marketable securities	FVTPL	FVTPL
Receivables	Loans and receivable (amortized cost)	Amortized cost
Reclamation deposits	Loans and receivable (amortized cost)	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Royalties payable	Other financial liabilities (amortized cost)	Amortized cost
Long-term debt	Other financial liabilities (amortized cost)	Amortized cost

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve 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 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

CHANGE IN ACCOUNTING POLICY

Effective March 1, 2018, the Company changed its accounting policy for its exploration and evaluation expenditures, including acquisition costs, to recognize these costs in the statement of comprehensive loss in the period incurred, as permitted under IFRS 6 *Exploration for and Evaluation of Mineral Resources*.

The previous accounting policy was to capitalize direct exploration and evaluation expenditures and the related acquisition costs as an asset on the Company's statement of financial position. Taxes were applied to reduce related exploration and evaluation assets in the period recognized. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, were expensed in the year in which they occurred.

The new accounting policy has been applied retrospectively. The impacts of this change in accounting policy are detailed in note 24 to the November 30, 2018 condensed consolidated interim financial statements.

COMMITMENTS

The Company has entered into agreements with officers and consultants that include termination and change of control clauses. In the case of termination, the officers and consultants are entitled to an amount equal to a multiple (ranging from one to two) times the annual base fee payable. In the case of a change of control, the officers and consultants are entitled to an amount equal to a multiple (ranging from one to three) times the sum of the annual base fee and minimum incentive fee payable. As at November 30, 2018, the total annual base fee of the officers and consultants under the agreements is $1,274,000 and the total annual minimum incentive fee is $49,000. Certain of the agreements contain a cash bonus payable upon any non-flow-through equity financings at the discretion of the Board of Directors.

The Company has entered into an office sublease agreement commencing September 1, 2017 and expiring August 30, 2022 with basic rent and estimated operating costs per fiscal year approximately as follows:

Fiscal 2019	$	290,000
Fiscal 2020		295,000
Fiscal 2021		299,000
Fiscal 2022		304,000
Fiscal 2023		76,000
	$	1,264,000

On September 9, 2013, the Ministry of Natural Resources of Québec approved the update of the restoration plan of the Bachelor mine. The financial guarantee covering the restoration costs amounted to $4,000,104, which has been paid as at November 30, 2018.

OTHER INFORMATION

The Company had the following securities issued and outstanding:

	January 29, 2019	November 30, 2018	May 31, 2018
Common shares	46,013,986	46,013,986	22,809,558
Warrants	3,854,471	3,854,471	1,512,143
Stock options	1,870,182	1,895,841	1,220,000
Fully diluted shares	51,738,639	51,764,298	25,541,701