PURE NICKEL INC.

Annual General and Special Meeting of Shareholders to be held December 11, 2019

Management Information Circular
November 8, 2019

PURE NICKEL INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General and Special Meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Shares") of Pure Nickel Inc. (the "Company") will be held at the offices of **Peterson McVicar LLP, 18 King St. East, Suite 902, Toronto, ON M5C 1C4, on December 11, 2019 at 10:00 a.m. ET** for the following purposes:

1. to receive and consider the audited financial statements of the Company for the year ended November 30, 2018 and the report of the auditors thereon;
2. to elect four (4) directors of the Company for the ensuing year;
3. to conditionally elect three (3) additional directors of the Company to take office immediately following the completion of the proposed acquisition of Explor Resources Inc. (the "Transaction"), as more particularly described in the Management Information Circular accompanying this Notice (the "Circular"), if, but only if, the Transaction is successfully completed;
4. to appoint Grant Thornton LLP as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving a new incentive stock option plan (the "New Option Plan");
6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the issuance of up to 60,000,000 common shares of the Company to 2176423 Ontario Ltd., a company controlled by Mr. Eric Sprott, on the exercise of a convertible debenture previously issued to 2176423 Ontario Ltd., which could result in a new "Control Person" of the Company, as such term is defined in the policies of the TSX Venture Exchange, as more particularly set out in the accompanying Circular;
7. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, approving the Transaction, which will be completed by way of three-cornered amalgamation involving Explor Resources Inc. ("Explor") and 2227390 Alberta Ltd. ("Subco"), a wholly-owned subsidiary of the Company, under the provisions of the *Business Corporations Act* (Alberta), as more particularly set out in the accompanying Circular;
8. to consider and, if deemed advisable, to approve, with or without variation, a special resolution authorizing and approving an amendment to the articles of the Company to change the name of the Company to Galleon Gold Corp., or such other name the board of directors of the Company deem appropriate and as is acceptable to regulators having jurisdiction over the Company;
9. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the transfer of the royalty on the Milford, Utah copper mine, as more particularly set out in the accompanying Circular; and
10. to transact other business as may properly be brought before the Meeting, or any adjournment or postponements thereof.

The directors have set the close of business on November 6, 2019 as the record date ("Record Date") for determining the Shareholders who are entitled to receive notice of and vote at the Meeting. Only Shareholders whose names have been entered in the registers of the Company as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Shares are voted at the Meeting, are requested to date, sign and return in the envelope provided for that purpose, the enclosed form of proxy, or complete and submit the form of proxy through the internet, telephone or by such other method as is identified, and pursuant to any instructions contained, in the form of proxy.

All instruments appointing proxies to be used at the Meeting or at any adjournment thereof must be received by our transfer agent, Computershare Trust Company of Canada ("Computershare"), 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1, at least 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or any adjournment thereof. The time limit for deposit of proxies may be waived by the Chairman of the Meeting at his discretion.

If you are a non-registered holder of Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein. **Shareholders are reminded to review the Circular before voting.**

DATED at Toronto, Ontario, November 8, 2019.

BY ORDER OF THE BOARD

"Lisa Buchan"

Lisa Buchan
Corporate Secretary

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PURE NICKEL INC.

MANAGEMENT INFORMATION CIRCULAR

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

Except as otherwise indicated in this Circular, all information disclosed in this Circular is as of November 8, 2019 and the phrase "as of the date hereof" and equivalent phrases refer to such date. No person is authorized by the Company to give any information (including any representations) in connection with the matters to be considered at the Meeting other than the information contained in this Circular. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or a solicitation of a Proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or is unlawful. Information contained in this Circular should not be construed as legal, tax or financial advice, and Shareholders should consult their own professional advisors concerning the consequences of the Transaction and other matters to be considered at the Meeting.

Information Concerning Explor

The information contained or referred to in this Circular relating to Explor Resources Inc. ("Explor") has been furnished by Explor. In preparing this Circular, Pure Nickel relied upon Explor to ensure that the Circular contains full, true and plain disclosure of all material facts relating to Explor. Although Pure Nickel has no knowledge that would indicate that any statements contained herein concerning Explor are untrue or incomplete, neither Pure Nickel nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by Explor to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

Currency

In this Circular, all dollar amounts are expressed in Canadian dollars, except as otherwise indicated. References to "$" or "dollars" are to Canadian dollars and references to "US$" are to United States dollars.

Cautionary Statements Regarding Forward-Looking information

Except for the statements of historical fact contained herein, the information presented in this Circular and the information incorporated by reference herein, constitutes "forward-looking statements" (as defined herein) concerning the business, operations, plans and financial performance and condition of each of Explor, Pure Nickel, and the Combined Company (the "Combined Company") . Often, but not always, forward-looking statements can be identified by words such as "*pro forma*", "plans", "expects", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual plans, results, performance or achievements of Explor, Pure Nickel, or the Combined Company to differ materially from any future plans, results, performance or achievements expressed or implied by the forward- looking statements. Such factors include, among others, the timing, closing or non-completion of the Transaction, including due to the parties failing to receive, in a timely manner and on satisfactory terms, the necessary securityholder, stock exchange and regulatory approvals or the inability of the parties to satisfy or waive in a timely manner the other conditions to the closing or the conditions precedent, as applicable, of the Transaction; inability to achieve the benefits or synergies anticipated from the Transaction; actual operating cash flows, operating costs, free cash flows, mineral resources, total cash, transaction costs, salaries, administrative and other costs of Explor, Pure Nickel, or the Combined Company, differing materially from those anticipated; project infrastructure requirements and anticipated processing methods differing materially from those anticipated; risks related to partnership or other joint operations; actual results of current exploration activities; variations in mineral resources, mineral production, grades or recovery rates or optimization efforts and sales; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; uninsured risks, including, but not limited to, pollution, cave-ins or hazards for which insurance cannot be obtained; regulatory changes; defects in title; availability or integration of personnel, materials and equipment; inability to recruit or retain management and key personnel; the composition of the Combined Company Board differing from the anticipated composition; performance of facilities, equipment and processes relative to specifications and expectations; unanticipated liabilities and expenses, significant write-offs or restructuring charges; unanticipated environmental impacts on operations; the results of any environmental and social impact assessments; inability to obtain required environmental permits and authorizations; environmental risks; inability to define new drill targets; market prices; construction and technological risks related to Pure Nickel, Explor, or the Combined Company; capital requirements and operating risks associated with the operations or an expansion of the operations of Explor, Pure Nickel, and the Combined Company; inability to find additional sources of capital on favourable terms; dilution due to future equity financings; fluctuations in metal prices and currency exchange rates; uncertainty relating to cash resources; inability to successfully complete new development projects, planned expansions or other projects within the timelines anticipated; adverse changes to market, political and general economic conditions or laws, rules and regulations applicable to Explor, Pure Nickel or the Combined Company; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; unexpected geological formations and conditions; accidents, labour disputes, community and stakeholder protests and other risks of the mining industry; failure of plant, equipment or processes to operate as anticipated; risk of an undiscovered defect in title or other adverse claim; inability of the Combined Company to find future attractive acquisition opportunities to further grow the Combined Company or to find joint venture opportunities; factors discussed in this Circular under the headings "*Risk Factors*", "*Risk Factors Associated with the Transaction*" and "*Risk Factors Associated with the Business of the Combined Company*"; and those risks set forth in Pure Nickel filings with the Securities Authorities, as available on SEDAR at www.sedar.com under the issuer profile of Pure Nickel.

In addition, forward-looking statements and pro forma information herein is based on certain assumptions and involves risks related to the consummation or non-consummation of the Transaction, and the business and operations of Explor, Pure Nickel and the Combined Company. Forward-looking statements and pro forma information contained herein is based on certain assumptions including that Explor Shareholders will vote in favour of the Transaction Resolution; that all other conditions to the Transaction are satisfied or waived; and that the Transaction will be completed. Other assumptions include, but are not limited to, interest and exchange rates; accounting assumptions and tax rates; the price of gold and other metals; competitive conditions in the mining industry; synergies between Explor and Pure Nickel; geological conditions; title to mineral properties; financing and funding requirements; general economic, political and market conditions; and changes in laws, rules and regulations applicable to Explor and Pure Nickel.

Although Explor and Pure Nickel have attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in forward-looking statements in this Circular, and the documents incorporated by reference herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such forward-looking statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements in this Circular, or in the documents incorporated by reference herein. All of the forward-looking statements made in this Circular, including all documents incorporated by reference herein, are qualified by these cautionary statements.

Certain of the forward-looking statements and other information contained herein concerning the mining industry, Pure Nickel's general expectations concerning the mining industry, Explor, Pure Nickel, and the Combined Company are based on estimates prepared by Pure Nickel using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which Pure Nickel believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While Pure Nickel is not aware of any misstatement regarding any industry data presented herein, the mining industry involves risks and uncertainties that are subject to change based on various factors.

Pure Nickel Shareholders are cautioned not to place undue reliance on forward-looking statements. Pure Nickel undertakes no obligation to update any of the forward-looking statements in this Circular or incorporated by reference herein, except as required by law.

Cautionary Note to United States Residents Concerning Estimates of Measured, Indicated and Inferred Resources

The terms "Measured", "Indicated" and "Inferred" Mineral Resources used or referenced in this annual information form are defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards on Mineral Resources and Mineral Reserves. The CIM standards differ significantly from standards in the United States. United States investors are advised that while such terms are recognized and required by Canadian regulations, the SEC does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category or that Mineral Resources will ever be upgraded to Mineral Reserves. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies other than a Preliminary Economic Assessment. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable or that an Indicated Mineral Resource is economically or legally mineable.

GLOSSARY OF DEFINED TERMS

Unless the context otherwise provides, the following terms used in this Circular and Schedules hereto shall have the meanings ascribed to them as set forth below, in addition to other terms defined elsewhere in this Circular.

"**ABCA**" means the *Business Corporations Act* (Alberta).

"Additional Slate" means the three director nominees that will form part of the board of directors following the approval of the Transaction Resolution and the Amalgamation

"**affiliate**" shall have the meaning ascribed to such term under the *Securities Act* (Ontario).

"**Amalco**" means the corporation resulting from the amalgamation of Explor and Subco pursuant to the Transaction to be constituted on the Effective Date.

"**Amalco Shares**" means the authorized common shares in the capital of Amalco.

"**Amalgamation**" means the proposed amalgamation of Explor and Subco pursuant to section 181 of the ABCA to form Amalco, on the terms and conditions set forth in the Definitive Agreement

"**Amalgamation Resolution**" means the Special Resolution to be placed before Explor Shareholders at the Explor Meeting to approve the Amalgamation.

"**Acquisition Proposal**" shall have the meaning given to that term in the Definitive Agreement.

"**Articles of Amalgamation**" means the articles of amalgamation regarding the Amalgamation to be filed with the Registrar under the ABCA.

"**associate**" shall have the meaning ascribed to such term under the *Securities Act* (Ontario).

"**business day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the City of Toronto, Ontario are open for business.

"Control Person" means any person that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**CEO**" means Chief Executive Officer.

"**Certificate of Amalgamation**" means the certificate of amalgamation issued by the Director under the OBCA in respect of the Amalgamation.

"**CFO**" means Chief Financial Officer.

"**CIM**" means Canadian Institute of Mining and Metallurgy.

"**Circular**" means this Management Information Circular to be sent to the Pure Nickel Shareholders in connection with the Meeting.

"**Closing**" means the completion of the transactions contemplated under the Definitive Agreement.

"**Combined Company**" means Pure Nickel and all of its subsidiaries, including Amalco, as it will exist on the Closing of the Transaction.

"**Combined Company Board**" means the board of directors of Pure Nickel following the Closing.

"**Definitive Agreement**" means the amalgamation agreement between Explor and Pure Nickel dated August 22, 2019 in respect of the Transaction.

"**Registrar**" means the Registrar appointed under section 263 of the ABCA.

"**Effective Date**" means the date shown on the Certificate of Amalgamation issued by the Registrar in respect of the Transaction.

"**Effective Time**" means the earliest moment on the Effective Date or such other time on the Effective Date as the parties to the Definitive Agreement may agree in writing.

"**Exchange Ratio**" means one-half (0.5) Pure Nickel Shares for each one (1) Explor Share.

"**executive officer**" has the meaning ascribed to it in NI 51-102.

"**Former Explor Shareholders**" means the holders of Explor Shares immediately prior to the Effective Time.

"**Explor**" means Explor Resources Inc.

"**Explor Board**" means the current Board of Directors of Explor.

"**Explor Convertible Securities**" means, collectively, the Explor Options and the Explor Warrants and the Explor Debentures.

"**Explor Debentures**" means the 8% secured convertible debenture in the principal amount of $1,300,000 and the 8% secured convertible debenture in the principal amount of $945,212.

"**Explor Meeting**" means the special meeting of the Explor Shareholders to be held to approve the Amalgamation Resolution.

"**Explor Options**" means the outstanding incentive stock options to purchase Explor Shares in accordance with the Explor Stock Option Plan.

"**Explor Shareholders**" means, at any time, holders of the Explor Shares.

"**Explor Shares**" means the issued and outstanding common shares in the capital of Explor.

"**Explor Stock Option Plan**" means the stock option plan of Explor as approved by the Explor Shareholders on January 16, 2018.

"**Explor Warrants**" means common share purchase warrants to purchase Explor Shares.

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"Initial Slate" means the four directors nominated to be elected to the board of directors.

"**Informed Person**" has the meaning ascribed to it in NI 51-102.

"**Insider**" if used in relation to an issuer, means:

- a director or senior officer of the issuer;
- a director or senior officer of a company that is an insider or subsidiary of the issuer;
- a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- the issuer itself if it holds any of its own securities.

"**laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any governmental entity, statutory body or self-regulatory authority, and the term "applicable" with respect to such laws and in the context that refers to one or more persons, means that such laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a governmental entity (or any other person) having jurisdiction over the aforesaid person or persons or its or their business, undertaking, property or securities.

"**Material Adverse Effect**" shall have the meaning given to that term in the Definitive Agreement.

"**Meeting**" means the annual and special meeting of the Pure Nickel Shareholders scheduled to be held on December 11, 2019.

"**Meeting Materials**" or "**meeting materials**" means collectively, the Notice of Meeting, this Circular and the Proxy or voting instruction form in respect of the Meeting.

"**Named Executive Officers**" or "**NEO**" means, in relation to a company, each of the following individuals:

I. any individual who acted as CEO of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

II. any individual who acted as CFO of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

III. each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and

IV. each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

"**NI 43-101**" means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

"**NI 51-102**" means National Instrument 51-102 - *Continuous Disclosure Obligations*.

"**NI 52-110**" means National Instrument 52-110 - *Audit Committees*.

"**NI 54-101**" means National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"**NI 58-101**" means National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

"**NI 58-201**" means National Policy 58-201 - *Corporate Governance Guidelines*.

"**Non-Registered Shareholder**" means a non-registered holder of Pure Nickel Shares.

"**person**" means any individual, firm, partnership, joint venture, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, governmental entity, syndicate or other entity, whether or not having legal status.

"**Proxy**" means the proxy to be forwarded to shareholders for use in connection with the Meeting.

"**Qualified Person**" or "**QP**" has the meaning ascribed to it in NI 43-101.

"**Record Date**" means November 6, 2019.

"**Registered Shareholder**" means a registered holder of Pure Nickel Shares as recorded on the shareholder register of Pure Nickel maintained by TSX Trust Company.

“**regulatory approval**” means the approval of the Transaction by the TSXV.

“**Rule 802**” has the meaning ascribed to such term under the heading “*Principal Legal Matters – United States Securities Law Considerations*” in this Circular.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Authorities**” means the securities regulatory authorities in the provinces of British Columbia, Alberta, Ontario.

“**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“Sprott Subscription” means the subscription by 2176423 Ontario Ltd. for a $3 million principal amount of convertible debenture of Pure Nickel pursuant to an Investment Agreement dated August 22, 2019.

“**Pure Nickel**” means Pure Nickel Inc.

“**Pure Nickel Board**” or “**Board**” means the board of directors of Pure Nickel.

“**Pure Nickel Consideration Shares**” means the approximately 95,198,612 Pure Nickel Shares to be issued in exchange for the issued and outstanding Explor Shares pursuant to the Transaction.

“**Pure Nickel Shareholders**” or “**Shareholders**” means, at any time, holders of the Pure Nickel Shares.

“**Pure Nickel Shares**” or “**Shares**” means common shares in the capital of Pure Nickel.

“**Pure Nickel Subsidiaries**” means Nevada Star Resource Corp. (U.S.). and Subco.

“**Replacement Options**” means options to acquire Pure Nickel Shares that will be granted by Pure Nickel to holders of Explor Options pursuant to the Transaction on the Effective Date.

“**Special Resolution**” means a resolution passed by a majority of not less than two-thirds (⅔) of the votes cast by shareholders who voted in respect of that resolution, in person or by proxy.

“**Subco**” means 2227390 Alberta Ltd., a company incorporated pursuant to the laws of the Province of Alberta solely for the purposes of effecting the Transaction.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended.

“**Transaction**” means the transactions between Pure Nickel, Subco and Explor and the other related matters as set out in the Definitive Agreement.

“**Transaction Resolution**” means the resolution of the Pure Nickel Shareholders, to approve the Transaction to be considered by the Pure Nickel Shareholders at the Meeting.

“**TSXV**” means the TSX Venture Exchange Inc.

“**TSXV Policies**” means the policies of the TSXV and all orders, policies, rules, regulations and by-laws of the TSXV as amended from time to time.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as the same has been, and hereinafter from time to time may be, amended.

SOLICITATION OF PROXIES BY MANAGEMENT

This Management Information Circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of Pure Nickel Inc. (“Pure Nickel” or the “Company”), for use at the Annual General and Special Meeting of the holders (“Shareholders”) of common shares (“Shares”) of the Company at the time and place and for the purposes set forth in the accompanying Notice of Meeting or at any adjournment or postponement thereof. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the officers and employees of the Company.

VOTING – Questions and Answers

You have received this Circular because our records indicate you held Shares of the Company as of the close of business on November 6, 2019 ("Record Date") and we are sending this Circular to you in connection with the 2019 Annual General and Special Meeting (the "Meeting") of our holders of Shares ("Shareholders") to be held on December 11, 2019 at 10:00 am ET at the offices of Peterson McVicar LLP, 18 King St. East, Suite 902, Toronto, ON M5C 1C4.

Am I entitled to vote?

You are entitled to vote if you were a Shareholder as of the close of business on November 6, 2019. Each Share that you own entitles you to one vote.

What am I voting on?

You are voting on the following business matters that are to be addressed at the Meeting:

- to receive and consider the audited financial statements of the Company for the year ended November 30, 2018 and the report of the auditors thereon;
- to elect four (4) directors of the Company for the ensuing year;
- to conditionally elect three (3) additional directors of the Company to take office immediately following the completion of the proposed acquisition of Explor Resources Inc. (the "Transaction"), as more particularly described in the Management Information Circular accompanying this Notice (the "Circular"), if, but only if, the Transaction is successfully completed;
- to appoint Grant Thornton LLP as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
- to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving a new incentive stock option plan (the "New Option Plan");
- to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the issuance of up to 60,000,000 common shares of the Company to 2176423 Ontario Ltd., a company controlled by Mr. Eric Sprott, on the exercise of a convertible debenture previously issued to 2176423 Ontario Ltd., which could result in a new "Control Person" of the Company, as such term is defined in the policies of the TSX Venture Exchange;
- to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the "Transaction Resolution"), approving the Transaction, which will be completed by way of three-cornered amalgamation involving Explor Resources Inc. ("Explor") and 2227390 Alberta ltd. ("Subco"), a wholly-owned subsidiary of the Company, under the provisions of the *Business Corporations Act* (Alberta), as more particularly set out in the accompanying Circular;
- to consider and, if deemed advisable, to approve, with or without variation, a special resolution authorizing and approving an amendment to the articles of the Company to change the name of the Company to Galleon Gold Corp., or such other name the board of directors of the Company deem appropriate and as is acceptable to regulators having jurisdiction over the Company;
- to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the transfer of the royalty on the Milford, Utah copper mine, as more particularly set out in the accompanying Circular; and
- to transact other business as may properly be brought before the Meeting, or any adjournment or postponements thereof.

Who is soliciting my proxy?

Management of Pure Nickel is soliciting your proxy. Solicitation of proxies is primarily by mail but may also be made by telephone or other contact, by employees or agents of the Company. All costs of such solicitation (if any) will be borne by the Company.

How do I vote?

You can vote your Shares by attending and voting your Shares at the Meeting, or by having your Shares voted by proxy. How you exercise your vote depends on whether you are a "Registered Shareholder" or a "Non-Registered Shareholder.

Registered Shareholders - If you were a registered Shareholder on the Record Date, you can attend and vote at the Meeting, together with all other registered Shareholders. Alternatively, you can submit your completed proxy for your Shares to Computershare through the internet or telephone or by signing, dating and returning the enclosed form of proxy in the envelope provided, so that such Shares can be voted at the Meeting.

Non-Registered Shareholders - If your Shares are **not registered** in your name but are held in the name of a nominee (usually a bank, trust company, securities broker or other financial institution) you should have received a request for voting instructions ("Voting Instruction Form") from your nominee or an agent acting on its behalf. Please note that we have limited access to the names of our non-registered Shareholders. If you attend the Meeting, we will have no record of your shareholding or your entitlement to vote unless your nominee has appointed you as proxyholder. Therefore, if you wish to vote in person at the Meeting insert your own name in the space provided on the Voting Instruction Form and return it by following the instructions provided. Do not otherwise complete the Voting Instruction Form as your vote will be taken at the Meeting. Please register with our transfer agent Computershare when you arrive at the Meeting. If you do not intend to attend the Meeting in person, **follow the instructions on your Voting Instruction Form to vote by telephone, internet or complete, sign and mail it in the envelope provided.**

There are two categories of Non-Registered Shareholders under applicable securities regulations for purposes of dissemination to Non-Registered Shareholders of proxy-related materials and other security holder materials and requests for voting instructions from such Non-Registered Shareholders. Non-objecting beneficial owners ("NOBOs") are Non-Registered Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Company, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Canadian Securities Laws restricts the use of that information to matters strictly relating to the affairs of the Company. Objecting beneficial owners ("OBOs") are Non-Registered Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Company.

In accordance with the requirements of NI 54-101, the Company is sending the proxy-related materials for use in connection with the Meeting (the "Meeting Materials") directly to NOBOs. NI 54-101 allows the Company, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the proxy materials directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Company is entitled to deliver Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. The Company is sending Meeting Materials directly to the NOBOs. The Company will use and pay intermediaries and agents to send the Meeting Materials and also intends to pay for intermediaries to deliver the Meeting Materials to the OBOs.

When do I need to return my completed proxy?

All proxies, whether transmitted by mail, telephone or the internet, must be received not later than 10:00 a.m. ET on December 9, 2019 or in the case of any adjournment(s) or postponement(s) of the Meeting, by no later than 48 hours (excluding Saturdays, Sundays or holidays) before the adjourned or postponed Meeting.

Who votes my Shares and how will they be voted if I return a proxy?

When you complete and return the proxy, you are authorizing the person(s) named in it to attend the Meeting and to vote your Shares. The Shares represented by your proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and if you specify a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. If you properly complete and return your proxy but do not specify how you wish the votes cast, your Shares will be voted as your proxyholder sees fit. **Unless contrary instructions are provided, Shares represented by proxies by management will be voted:**

- **For** the election of the four (4) director nominees;
- **For** the conditional election of the three (3) additional director nominees subject to completion of the Transaction;
- **For** the appointment of Grant Thornton LLP as auditors to serve until the next annual meeting;
- **For** the New Option Plan;
- **For** the issuance of up to 60,000,000 common shares of the Company to 2176423 Ontario Ltd., a company controlled by Mr. Eric Sprott, on the exercise of a previously issued convertible debenture and the approval of Mr. Eric Sprott as a new Control Person of the Company;
- **For** the Transaction;
- **For** the Name Change; and
- **For** the transfer of the royalty.

Can I appoint someone other than the individuals named in the enclosed proxy to vote my Shares?

Yes, you have the right to appoint another person of your choice, other than the persons designated in the form of proxy, who need not be a shareholder, to attend and act on your behalf at the Meeting. To appoint a person other that those named in the enclosed proxy, strike out those printed name(s) appearing on the proxy and insert the name of your chosen proxyholder in the space provided. Note that you should ensure that any other person you appoint will attend the Meeting and is aware that his or her appointment has been made to vote your Shares. Proxyholders should, on arrival at the Meeting, present themselves to a representative of Computershare.

What if my Shares are registered in more than one name or in the name of a company?

If your Shares are registered in more than one name, all those persons in whose name they are registered must sign the proxy. If the Shares are registered in the name of a company or any name other than your own, you may need to provide documentation that proves you are authorized to sign the proxy on behalf of that company or name. If you have any questions as to what supporting documentation is required, please contact Computershare prior to submitting your proxy.

Can I revoke a proxy or voting instruction?

If you are a Registered Shareholder and have returned a proxy, you may revoke it at any time prior to the exercise thereof by:

(a) Completing and signing another proxy bearing a later date, and delivering it to Computershare at any time up to 10:00 a.m. ET on December 10, 2019 (or if the Meeting is adjourned, on the last business day preceding the day to which the Meeting is adjourned);

(b) Delivering a written statement, signed by you or your authorized attorney to Computershare at any time up to 10:00 am ET on December 10, 2019, (or if the Meeting is adjourned, on the last business day preceding the day to which the Meeting is adjourned);

(c) Delivering a written statement, signed by you or your authorized attorney to the chairman of the Meeting on the day of the Meeting or an adjournment thereof; or

(d) In any other manner permitted by law.

If you are a Non-Registered Shareholder, please contact your nominee. If you have returned a form of proxy and then attend personally at the Meeting you should, on arrival at the Meeting, contact a representative of Computershare to revoke the proxy and vote in person.

How many Shares are entitled to vote?

As of November 6, 2019, there were 86,493,339 Shares issued and outstanding. Each Share held at the close of business on the Record Date is entitled to one vote. A quorum of Shareholders is present if the holders of 5% of the Shares that are entitled to vote at the Meeting are present in person or represented by proxy at the Meeting. To the knowledge our board of directors and our executive officers, as of the date hereof, the following persons beneficially owns or controls or directs, directly or indirectly, more than 10% of our outstanding Shares.

Name	Number of Pure Nickel Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly(1)	Percentage of Outstanding Pure Nickel Shares(1)
2176423 Ontario Ltd. (a corporation beneficially owned by Eric Sprott)	10,221,732	11.8 %

Notes:

(1) Based on the number of issued and outstanding Pure Nickel Shares as at November 6, 2019

How may the proxyholders exercise their discretion?

The proxy provides discretionary authority to the management designees, or other persons named in the proxy, with respect to amendments to or variations of matters identified here and any other matters which may properly come before the Meeting or any adjournments of it. At the date of this Circular, management is not aware of any amendments to, or variations of, or other matters which may come before the Meeting other than the matters referred to herein. In any such event, the management designees intend to vote in accordance with their judgment on such matters.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year or of any associate or affiliate of any such persons, in any matter to be acted upon at the meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The board of directors is currently composed of four (4) directors they are: Thomas Kofman, James T. O'Neil, R. David Russell and W.S. (Steve) Vaughan (the "Initial Slate"). The term of office of each current director will expire on the date of the Meeting when the new Board is elected. The Board has proposed that the Initial Slate be nominated for re-election at the Meeting and has proposed that an additional slate of three (3) directors (the "Additional Slate") be conditionally elected at the meeting to join the Board effective on the Effective Date of the Transaction to form the Combined Company board (the "Combined Company Board").

In the event the Transaction is not completed, the Additional Slate will not become directors of the Company. Assuming completion of the Transaction, the Initial Slate and the Additional Slate will form the Combined Company Board and total seven (7) directors, each will hold office until the close of the next annual meeting of Shareholders following his election unless his office is earlier vacated in accordance with the Company's constating documents in effect at that time. Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the Shares represented by proxy for the election of any other person or persons as directors.

Shareholders have the option to (i) vote for all of the Initial Slate listed in the table below; (ii) vote for some of the Initial Slate and withhold for others; or (iii) withhold for all of the Initial Slate. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Company will be voted FOR the election of each of the proposed nominees of the Initial Slate set forth in the table below.**

Shareholders have the option to (i) vote for all of the Additional Slate listed in the table below to become members of the Combined Company Board subject to the completion of the Transaction; (ii) vote for some of the Additional Slate and withhold for others; or (iii) withhold for all of the Additional Slate. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Company will be voted FOR the election of each of the proposed nominees of the Additional Slate set forth in the table below conditional upon completion of the Transaction.**

The following table, including the notes, set out the names of the management nominees for the Initial Slate of directors, their positions and offices, principal occupations during the last five years, the period of time that they have been our directors, and the number of Shares that each beneficially owns or over which control or direction is exercised. Two of the nominees for directors are residents of Canada, two of the nominees are residents of the United States.

INITIAL SLATE			
Name, Residence and Present Position Held(1)	**Present Principal Occupation, Business or Employment (1)**	**Director Since**	**Number of Shares Held**
Thomas Kofman, CPA, CA Ontario, Canada Interim CFO (until Mar 2018) and Director Non-Independent Board Committees • Audit (Chair) • Governance & Nominating • Compensation	Mr. Kofman has over 25 years of experience in North American capital markets as both issuer and banker. He was a founder and chairman of M Partners Inc., an independent full-service investment bank until April 2018. Mr. Kofman has served as Senior Vice President and Chief Financial Officer of IPC Financial Network Inc., Vice President of Finance and Chief Financial Officer of RealFund as well as of Freed Developments. Mr. Kofman is a Chartered Professional Accountant and received a Bachelor of Arts degree from York University.	2012	610,000
James T. O'Neil, Jr. CMA Arizona, USA Independent	Mr. O'Neil is a senior executive with 45 years of experience in the metal mining and processing industry. He is the former CEO and board member of Gryphon Gold Corporation and has held senior executive positions with major international mining companies Grupo Mexico, ASARCO, and Southern Copper Corporation. He has served on the board of directors or in executive positions with several junior mining companies including Jipangu International, Apollo Gold, Rye Patch Gold, Josephine Mining and Jerritt Canyon Gold. He holds a Bachelor and Master of Science from Arizona State University and is a Certified Management Accountant (CMA).	2019	0
R. David Russell Colorado, USA CEO, President & Director Non- Independent Board Committees • Audit • Governance & Nominating • Compensation	Mr. Russell has over three decades of executive experience in the mineral exploration and development industry. Mr. Russell was the Founder, President, CEO and Director, from 2002 to 2010, of the former Apollo Gold Corporation, (Rebranded as Brigus Gold and later merged with Primero Mining and First Majestic Silver). Additional positions included Vice-President and Chief Operating Officer of Getchell Gold Company/Placer Dome Gold, General Manager, US Operations, LAC Minerals Ltd. (now Barrick Gold), Manager, Underground Mining, Independence Mining Company, Project Manager, Hecla Mining Company, Manager, Lincoln Project FMC/Meridian Gold. Mr. Russell graduated from the Montana School of Mineral Science and Technology with a Bachelor of Science Degree in Mining Engineering.	2007	2,982,000

William Stearns Vaughan Ontario, Canada Director Independent Board Committees • Audit • Technical	Mr. Vaughan, a lawyer, has participated in natural resource transactions in more than 65 countries and/or separate mineral regulatory regimes over his career. Mr. Vaughan has served on various committees advising the Canadian government, the Ontario Securities Commission and the Toronto Stock Exchange on issues such as mineral policy, mineral strategy, mining finance, mining taxation, seed capital formation, junior resource policies, over-the-counter trading and nuclear issues. For 40 years Mr. Vaughan was the legal advisor to, and a director and member of, the Securities and Audit Committees of the Prospectors and Developers Association of Canada. He also was a former director of the Toronto Branch of the Canadian Institute of Mining, Metallurgy and Petroleum and a past member of the Joint Toronto Stock Exchange Ontario Securities Commission Mining Standards Task Force. Mr. Vaughan was counsel at the law firm Heenan Blaikie LLP from 2007 to February 2014 and a partner at the law firm Dorsey Whitney LLP from February 2014 until December 2016. He is currently a sole practitioner mining lawyer with an international practice.	2007	35,000

Notes:
(1) Information with respect to the number of Shares held by the directors has been provided by the respective directors.

The following table, including the notes, set out the names of the Additional Slate of directors to be nominated for election as directors conditional upon to the completion of the Transaction, their positions and offices, principal occupations during the last five years, the period of time that they have been directors of Explor, and the number of Explor shares that each beneficially owns or over which control or direction is exercised.

ADDITIONAL SLATE			
Name and Residence (1)	**Present Principal Occupation, Business or Employment (1)**	**Director Since**	**Number of Explor Shares Held / Shares of Pure Nickel upon completion of the Transaction**
Christian Dupont New Brunswick, Canada President and CEO of Explor	Mr. Dupont, a mining engineer with a B.Eng. Degree from Nova Scotia Technical College, Halifax, Nova Scotia, has been active in the mining industry since the early 1970's. Mr. Dupont has been the President and CEO of Explor Resources Inc. since October 2005. Previously he held positions as senior mining engineer for Noranda and chief engineer for Exall Resources, as well as project manager for Luzenac Inc., a producer of micronized talc products. His past experience includes President and Director of Kayorum Gold Mines from 1992 to 1997, Director of Fieldex Exploration from 1997 to 1998 and Vice President and Director of TOM Exploration from 2000 to 2006. He has been President, CEO and a director of Brunswick Resources Inc., since December 2013.	n/a	5,200,840 / 2,600,420
Mario Colantonio Ontario, Canada Director of Explor	Mr. Colantonio is a professional engineer and has been active in the mining industry since the mid 1980's. He received a B.SC. Degree in civil engineering from Queen's University, Kingston, Ontario in 1985. His primary focus has been the engineering and management for capital and maintenance projects for mine/mill infrastructures including feasibility studies. He has held senior engineering management positions for AMEC and is presently president of a privately-owned engineering consulting firm. Since	n/a	0

	December 2013, he has been a director of Brunswick Resources Inc.		
Gerhard Merkel Sinsheim, Germany Director of Explor	Mr. Merkel has extensive experience as a CEO and CFO. He was CEO and CFO of Metex (Germany) Trading Company from 1994 to 2005. From 2005 to present, he has been CFO and COO of CGM Import-Export Ltd (Portugal) Import/Export, a wholesale and retail of catering equipment company and producer of catering accessories.	n/a	100,000/50,000

Notes:
(1) Information with respect to the number of Shares held by the directors has been provided by the respective directors.

Corporate Cease Trade Orders, Bankruptcies and Insolvencies

To the Company's knowledge, no proposed director of the Company:

I. is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer, chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

II. is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any issuer (including the Company), that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

III. has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

except for (i) Christian Dupont, who was a director of Treegenic Gold Corporation, a former reporting issuer in the Province of Quebec, when it was subject to a cease trading order on its shares from September 2004 to March 2013 for failure to file its annual and interim financial statements. Mr. Dupont ceased to be a director in January 2010.; and (ii) James T. O'Neil Jr. who, on January 2012 was appointed CFO of Gryphon Gold Corporation ("Gryphon") and on February 3, 2012 Mr. O'Neil was appointed interim CEO of Gryphon. Mr. O'Neil's appointments were at a time when Gryphon was coping with large debt and operational issues combined with falling gold prices. Mr. O'Neil resigned his positions in April 2013 and on July 29, 2013 Gryphon filed a voluntary petition under Chapter 11 of the United Stares Bankruptcy Code.

Penalties or Sanctions

No proposed director of the Company has:

I. been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

II. been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Reappointment of Auditors

Grant Thornton LLP ("Grant Thornton"), 11th Floor, 200 King street West, Toronto, Ontario, M5H 3T4 is our current auditor. At the Meeting, Shareholders will be asked to pass an ordinary resolution to reappoint Grant Thornton as auditors of the Company to serve until the next annual meeting of Shareholders and to authorize the Board to fix their remuneration.

Unless otherwise instructed, the persons named in the accompanying proxy intend to vote FOR the re-appointment of Grant Thornton as the auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix their remuneration.

Approval of New Incentive Stock Option Plan

The Company's current stock option plan is a 10% fixed plan adopted by the Board on February 19, 2019 (the "Option Plan"). For a summary of the Option Plan, please see "*Securities Authorized for Issuance under Equity Compensation Plans*. A total of 6,814,487 Pure Nickel Shares are reserved for issuance pursuant to options granted under the Option Plan. As of November 8, 2019, a total of 4,600,000 options have been granted under the Option Plan.

In connection with Company's recent acquisition of the Neal project, the proposed Transaction with Explor and the strategy of the Company's to enter into gold and silver exploration, the Board has adopted a new 10% "Rolling" stock option plan that will supersede the existing Option Plan (the "New Option Plan"). Since the New Option Plan is a 10% "rolling" option plan, it is required to be approved by Shareholders when initiated and re-approved every year thereafter.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution approving the New Option Plan (the "Option Plan Resolution"). To be adopted, the Option Plan Resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

The following is a brief description of the Plan and is qualified in its entirety by the full text thereof included in Schedule A:

- Options may be granted under the New Option Plan to a director, officer, employee, consultant or service provider of the Company.
- The New Option Plan is administered by the Compensation Committee. The Compensation Committee makes recommendations to the board, and the board has the power, subject to the terms of the New Option Plan and TSXV policies, to (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the New Option Plan; (b) interpret and construe the New Option Plan and to determine all questions arising out of the New Option Plan; (c) determine the number of Shares covered by each Option; (d) determine the exercise price of each Option; (e) determine the time or times when Options will be granted and exercisable; (f) determine if the Shares which are issuable on the exercise of an Option will be subject to any restrictions upon the exercise of such Option; and (g) prescribe the form of the Instruments relating to the grant, exercise and other terms of Options. The board has the power to grant Options, with or without a recommendation of the Compensation Committee.
- the aggregate number of Shares to be delivered upon the exercise of all Options granted under the New Option Plan shall not exceed 10% of the issued and outstanding Shares from time to time.
- No person may be granted Options to acquire more than 5% of the issued and outstanding Shares in any 12-month period unless the Company has obtained disinterested shareholder approval.
- No consultant or service provider may be granted Options to acquire more than 2% of the issued and outstanding Shares in any 12-month period.
- The aggregate number of Options granted to employee optionees conducting investor relations activities cannot exceed 2% of the issued and outstanding Shares in any 12-month period.
- Unless the Company has received Disinterested Shareholder Approval to do so:

- the aggregate number of Common Shares reserved for issuance to Insiders under the New Option Plan and any other equity compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant; and
- the aggregate number of Common Shares reserved for issuance to Insiders in any 12-month period under the New Option Plan and any other equity compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant.

- Options cannot be issued below the last closing price of the Shares prior to the grant, and must be issued in accordance with the policies of the TSX Venture Exchange.
- An Option may be granted for a period of up to ten years from the date of the granting thereof. If an option holder resigns or is terminated for cause his/her Options shall expire immediately.
- Options granted under the New Option Plan are non-assignable and non-transferable, other than by will or by the laws of descent.
- The board of directors of the Company has complete discretion to set the terms of any vesting schedule for each Option granted, including without limitation, discretion to: (i) permit partial vesting in stated percentage amounts based on the terms of such Option; and (ii) permit full vesting after a stated period of time has passed from the date that such Option was granted.
- Subject the rules of the TSXV, the Committee may make certain amendments to the New Option Plan without further shareholder approval.

The number of options outstanding under the Option Plan are required to be including in determining the number of option available for issuance under the New Option Plan. As of November 8, 2019, based on 86,493,339 issued and outstanding Shares and 4,600,000 options outstanding under the Option Plan, a total of 4,049,334 options are available for issuance under the New Option Plan. Any increase in the total number of issued and outstanding Shares will result in an increase in the number of Shares issuable under the New Option Plan, and any exercises of Options will effectively result in a reloading of the number of Shares issuable under the New Option Plan.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution the following Option Plan Resolution, with or without variation:

"BE IT IS RESOLVED that:

1. the Company's 10% Stock Option Plan, substantially in the form attached as Schedule "A" to the management information circular of the Company, is hereby ratified, confirmed and approved, subject to the approval of the TSX Venture Exchange;
2. the Company be authorized to grant options pursuant and subject to the terms and conditions of the Stock Option Plan, entitling the holders thereof to purchase up to that number of common shares that is equal to 10% of the issued and outstanding common shares of the Company at the time of the grant; and.
3. any officer or director of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things as may in the opinion of such officer or director be necessary to give effect to this resolution, the execution and delivery of any such document or instrument, and the doing of any such act or thing, to be conclusive evidence of such determination."

The directors of the Company recommend that Shareholders vote <u>FOR</u> the Option Plan Resolution. Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or instructions <u>FOR</u> the Option Plan Resolution.

Approval of Share Issuance and New Control Person

On September 5, 2019 the Company issued a Convertible Debenture ("Debenture") in the principal amount of $3,000,000 to 2176423 Ontario Ltd., a corporation controlled by Mr. Eric Sprott. The Debenture has a term of two years and bears interest at a rate of 8% per annum. The Debenture is convertible into common shares at a price of $0.05 per share for the first 12 months of the term and at $0.10 per share thereafter until maturity.

Mr. Eric Sprott is currently an insider of the Company and beneficially owns 10,221,732 Shares of the Company. If 2176423 Ontario Ltd. exercises its right to convert the Debenture in full, Mr. Sprott would have beneficial ownership and/or control or direction over a total of 70,221,732 Shares or 47.9% of the total outstanding Shares of the Company.

As defined by the TSXV, a "Control Person" means any person that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer. Pursuant to the policies of the TSXV, if a Control Person is created as a result of the acquisition of securities of an issuer, the TSXV will require the issuer to obtain the approval of a majority of the shareholders of the issuer, not including the shares held by such potential Control Person and its associates and affiliates ("Disinterested Shareholders"), for the issuance of securities that could result in the creation of such Control Person.

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution approving the issuance of up to 60,000,000 commons share of the Company on the conversion of the Debenture and the potential creation of a new Control Person (the "Control Person Resolution"). To be adopted, the Control Person Resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting by Disinterested Shareholders.

Management of the Company believes that it is in the best interest of the Company to approve the Control Person Resolution, Disinterested Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, the following Control Person Resolution:

"BE IT RESOLVED THAT:

1. the issuance of up to 60,000,000 common shares of the Company on the conversion of the Debenture and the potential creation of a new Control Person of the Company, as such term is defined in the policies of the TSXV, be and are hereby authorized and approved; and

2. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to do all such other acts and things as such director or officer may determine to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such trustee, director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination."

The board of directors unanimously recommends that the Shareholders vote FOR the Control Person Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Control Person Resolution.

Approval of Transaction

At the Meeting, the Pure Nickel Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, the Transaction Resolution, the full text of which is set out below, to approve the Transaction.

Pure Nickel and Explor have entered into the Definitive Agreement whereby Explor will amalgamate with Subco to form Amalco and Pure Nickel will issue Pure Nickel Shares to the Former Explor Shareholders, on the basis of the one (1) Pure Nickel Share for every two (2) Explor Shares (the "Exchange Ratio). Each of the issued and outstanding Explor Convertible Securities will be exchanged for Pure Nickel Convertible Securities or become exercisable to acquire Pure Nickel Shares *in lieu* of Explor Shares, in each case after adjustments for the Exchange Ratio. Upon completion of the Transaction, it is expected that the Former Explor Shareholders will own approximately 52.4% of the Pure Nickel Shares and Pure Nickel Shareholders will own approximately 47.6% of the Pure Nickel Shares. If the Control Person Resolution is approved at the Meeting and 2176423 Ontario Ltd. converts the Debenture in full, ownership of Pure Nickel Shares, on a fully diluted basis (including the conversion of all of the current warrants and options outstanding for both Pure Nickel and Explor), will be 46.2% Explor, 30.1% Pure Nickel and 23.7% Mr. Eric Sprott.

Upon completion of the Transaction, Amalco will be a wholly-owned subsidiary of Pure Nickel. Completion of the Transaction is subject to the satisfaction of certain closing conditions as set out in the Definitive Agreement, including regulatory approval.

It is expected that the Pure Nickel Shares will continue to be listed on the TSXV following the completion of the Transaction.

Background to the Transaction

Since the start of 2019 Pure Nickel's board of directors and the CEO agreed it was in the best interest of the Company to acquire one or more gold exploration properties to diversify the company and position it for positive growth. With the initial acquisition of the Neal Property in Idaho, from 2176423 Ontario Ltd., a corporation beneficially owned by Eric Sprott, the Company gained a strategic shareholder and a high-grade prospective property. The Company next began to look for larger assets with a NI 43-101 report and mineral resource estimate. The CEO of Explor approached the CEO of Pure Nickel in May 2019 and the two met in Timmins, Ontario and toured Explor's Timmins Porcupine West Property (the "TPW Property"). The TPW Property met Pure Nickel's criteria for acquisition targets and discussions about earn in agreements, as well as merger arrangements, ensued. It was decided that the most practical means of advancing the property was by merging the two companies.

Principal Steps to the Transaction

The following steps are the principal steps of the Transaction and are qualified in their entirety by the Definitive Agreement which is available under the Company's profile on SEDAR at www.sedar.com.

1. Following approval of the Transaction Resolution by the Pure Nickel Shareholders and the approval of the Amalgamation Resolution by Explor Shareholders in accordance with the requirements of the ABCA, Explor and Subco shall jointly complete and file articles of amalgamation with the Registrar giving effect to the Amalgamation subject to the terms of the Definitive Agreement.

2. Upon the issue of the Certificate of Amalgamation, at the Effective Time, Explor and Subco shall amalgamate and continue as one company, being Amalco, pursuant to the provisions of Section 181 of the ABCA.

3. At the Effective Time and as a result of the Amalgamation:

   I. all of the Explor Shares outstanding immediately prior to the Effective Time shall be cancelled, and former Explor Shareholders (other than Pure Nickel), shall receive in exchange for their Explor Shares so cancelled, that number of Pure Nickel Consideration Shares equal to the product of:

      (i) the number of Explor Shares so cancelled; and

      (ii) the Exchange Ratio;

   II. all of the common shares of Subco outstanding immediately prior to the Effective Time shall be cancelled and replaced with an equal number of common shares of Amalco issued by Amalco;

   III. as consideration for the issuance of the Pure Nickel Consideration Shares pursuant to the Transaction, Amalco shall issue to Pure Nickel one (1) common share of Amalco for each Pure Nickel Consideration Share issued;

   IV. Pure Nickel shall add to the stated capital maintained in respect of the Pure Nickel Shares an amount equal to the aggregate paid-up capital for purposes of the Tax Act of the Explor Shares immediately prior to the Effective Time (less the paid-up capital of any Explor Shares held by Pure Nickel);

   V. Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the Tax Act of the Subco Shares and Explor Shares immediately prior to the Effective Time;

VI. no fractional Pure Nickel Consideration Shares shall be issued to Explor Shareholders; in lieu of any fractional entitlement, the number of Pure Nickel Consideration Shares issued to each former holder of Explor Shares shall be rounded down to the next lesser whole number of Pure Nickel Consideration Shares; no cash or other consideration shall be paid or payable in lieu of such fraction of a Pure Nickel Consideration Share;

VII. Pure Nickel shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by the Definitive Agreement to any holder of Explor Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Explor Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority; and

VIII. Amalco will become a wholly-owned subsidiary of Pure Nickel;

IX. all unexercised Explor Options held by Explor optionholders shall, as at the Effective Date, be exchanged for Replacement Options.

X. all unexercised Explor Warrants held by Explor warrantholders shall, as at the Effective Date, be adjusted based on the adjustment provisions contained in the warrant certificates representing the Explor Warrants and thereafter be exercisable for Pure Nickel Shares; and

XI. all Explor Debentures outstanding as at the Effective Time shall be adjusted based on the adjustment provisions contained in the debenture certificates representing the Explor Debentures and thereafter be convertible for Pure Nickel Shares.

Reasons for the Transaction

In the course of its evaluation of the Transaction, the Pure Nickel Board consulted with Pure Nickel's senior management and legal counsel and reviewed an extensive amount of information and considered a number of factors, including, among other, the following:

1. Pure Nickel is acquiring a significant mineral asset at an attractive valuation, with market expectations that gold prices, and thereby valuations, will grow materially as demand/supply conditions in the gold markets tighten.
2. Pure Nickel's growth potential in recent years has been limited due to its reliance on its nickel property portfolio. The Explor assets, and in particular, the TPW Property provides diversification into the gold sector.
3. The Explor assets are well understood by management. Pure Nickel executives have geological, mining and management history for developing similar type deposits within the Timmins Gold Mining Camp.
4. The general and administrative costs related to maintenance of a public listing would be spread over a broader business base, with some synergies.
5. The confluence of factors is expected to enhance the liquidity of Pure Nickel Shares, which should become more reflective of underlying value.
6. Pure Nickel Shareholders will be exposed to new business opportunities while continuing to benefit from the existing business of Pure Nickel.

In the course of its evaluation, the Pure Nickel Board also identified and considered several risks associated with the Transaction, including, among other, the following:

1. The business, operations, assets, financial performance and condition, operating results and prospects of Explor, including the long-term expectations regarding Explor's projects.
2. Information provided by Explor with respect to its historical and current financial condition, business and operations.

3. The issue of Pure Nickel Consideration Shares under the Transaction and their subsequent sale may cause the market price of Pure Nickel Shares to decline.

The foregoing summary of the information and factors considered by the Pure Nickel Board is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Transaction, the Pure Nickel Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. After consideration of all of the above-noted factors and in light of the Pure Nickel Board's collective knowledge of the business, financial condition, and prospects of Explor and Pure Nickel and the advice of financial, legal and technical advisors to Pure Nickel. In addition, individual members of the Pure Nickel Board may have assigned different weights to different factors. See "*Risk Factors – Risk Factors Associated with the Transaction*". The Pure Nickel Board's recommendation also involves forward-looking information and is subject to the inherent risks and assumptions associated with forward-looking statements. See "*Cautionary Statements Regarding Forward-Looking Information*" elsewhere in this Circular.

Amalgamation Agreement

On August 22, 2019, the Company, Explor and Subco entered into the Definitive Agreement, the full text of which is available under the Company's profile on SEDAR at www.sedar.com. Pure Nickel Shareholders are encouraged to read the Definitive Agreement in its entirety. Except for the Definitive Agreement's status as a contractual document that establishes and governs the legal relations among the parties thereto with respect to the Transaction, its text is not intended to be, and should not be interpreted as, a source of factual, business or operational information about Explor and Pure Nickel. The Definitive Agreement contains representations, warranties and covenants that are qualified and limited, including by information disclosed to Explor and Pure Nickel in connection with the execution of the Definitive Agreement and certain information disclosed in public filings with Canadian securities regulatory authorities. Representations and warranties may be used as a tool to allocate risks between the respective parties to the Definitive Agreement, including where the parties do not have complete knowledge of all facts, instead of establishing such matters as facts. Furthermore, the representations and warranties may be subject to standards of materiality that differ from what may be viewed as material to Pure Nickel Shareholders. These representations may or may not have been accurate as of any specific date and do not purport to be accurate as of the date of this Circular.

The following is a description of the material terms and conditions of the Definitive Agreement, which description is qualified in its entirety by the full text of the Definitive Agreement. Capitalized terms used in the following summary and not defined in this Circular have the meanings ascribed thereto in the definitive Agreement.

Representations and Warranties

The Definitive Agreement contains customary representations and warranties of Explor relating to matters that include, among other things: board approval, organization, corporate authority, no violations, consents, capitalization, reporting status and securities laws matters, financial statements, absence of undisclosed liabilities, tax matters, no material adverse effect, compliance with laws, licences, insurance, environmental, title to interests, operational matters, non-arm's length transactions, securities and other reports, certain contracts, employment agreements, brokers' fees, litigation, books and records, material contracts, foreign private issuer, investment company status and no defaults.

The Definitive Agreement contains customary representations and warranties of Pure Nickel relating to matters that include, among other things: board approval, organization, corporate authority, Pure Nickel Shares comprising the consideration, no violations, consents, capitalization, reporting status and securities laws matters, financial statements, absence of undisclosed liabilities, tax matters, no material adverse effect, compliance with laws, licences, insurance, environmental, title to interests, operational matters, non-arm's length transactions, securities and other and other reports, certain contracts, brokers' fees, litigation, books and records, material contracts and no defaults.

Mutual Conditions

The respective obligations of Pure Nickel and Explor to complete the Transaction are subject to the fulfilment of the following conditions at or prior to the Effective Date, each of which may only be waived, in whole or in part, with the consent in writing of Pure Nickel, Explor and Subco:

(a) the Explor Shareholders shall have approved the Amalgamation Resolution at the Explor Meeting in accordance with the articles and by-laws of Explor and any applicable laws, and the Amalgamation Resolution shall not have been rescinded or amended in a manner unacceptable to Pure Nickel or Explor, acting reasonably;

(b) the Pure Nickel Shareholders shall have approved the Transaction Resolution at the Pure Nickel Meeting in accordance with the articles and by-laws of Pure Nickel and any applicable laws, and the Transaction Resolution shall not have been rescinded or amended in a manner unacceptable to Explor or Pure Nickel, acting reasonably;

(c) there shall not exist any prohibition at law, including a cease trade order, injunction or other prohibition or order of law or under any applicable legislation, against Pure Nickel or Explor which shall prevent the consummation of the Amalgamation;

(d) there shall have been no action taken under any applicable law or by any governmental authority which:

  (i) makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Amalgamation; or

  (ii) results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Amalgamation which has, or could have, a Material Adverse Effect on Pure Nickel or Explor, including due to any impact upon the assets, rights or interests of the Pure Nickel subsidiary, subsequent to the Effective Date;

(e) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any governmental authority and the expiry of any waiting periods, required to permit the completion of the Amalgamation, and all third person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or arrangements, the failure of which to obtain or the non-expiry of which, either individually or in the aggregate would, or could reasonably be expected to have, a Material Adverse Effect on Pure Nickel or Explor or materially impede the completion of the Amalgamation, shall have been obtained or received on terms that are reasonably satisfactory to each party;

(f) the TSXV shall have conditionally approved the listing thereon of the Pure Nickel Shares to be issued to Explor Shareholders pursuant to the Amalgamation and the Pure Nickel Shares issuable pursuant to the Replacement Options, Adjusted Warrants and the Adjusted Debentures, subject only to such conditions, including the filing of documentation, as are acceptable to Pure Nickel and Explor, acting reasonably;

(g) the distribution of the Pure Nickel Consideration Securities pursuant to the Amalgamation shall (i) be exempt from registration and prospectus requirements of applicable Canadian Securities laws, and (ii) except with respect to persons deemed to be “control persons” of Pure Nickel or the equivalent under Canadian Securities laws, the Pure Nickel Shares to be distributed in Canada pursuant to the Amalgamation shall not be subject to any resale restrictions under applicable Canadian Securities laws.

(h) the distribution of the Pure Nickel Consideration Securities pursuant to the Amalgamation shall be exempt from the registration requirements of the U.S. Securities Act and, except with respect to persons who are “affiliates” (as that term is used in the U.S. Securities Act) of Pure Nickel, the Pure Nickel Shares to be issued in the United States pursuant to the Amalgamation shall not be subject to resale restrictions under the U.S. Securities laws;

(i) the Definitive Agreement shall not have been terminated;

(j) The Sprott Subscription shall have been completed.

Pure Nickel Conditions

The obligations of Pure Nickel to complete the Transaction are subject to the fulfilment of the following conditions at or prior to the Effective Time, each of which may be waived, in whole or in part, by Pure Nickel in writing at any time:

(a) the representations and warranties of Explor set forth in the Definitive Agreement shall be true and correct in all respects, without regard to any materiality or Material Adverse Effect qualifications contained in them, as of the Effective Time, as though made on and as of the Effective Date

(b) all covenants of Explor under the Definitive Agreement to be performed on or before the Effective Date shall have been duly performed by Explor in all material respects;

(c) there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public), any event, change, occurrence or state of facts that, either individually or in the aggregate, have or could reasonably be expected to have a Material Adverse Effect on Explor;

(d) Pure Nickel shall have received resignations and releases in favour of Explor from such directors and officers of Explor as Pure Nickel may indicate in writing, such resignations to be effective as of the Effective Date and in form and substance satisfactory to Pure Nickel, acting reasonably;

(e) Holders of no more than 5% of the outstanding Explor Shares shall have exercised Dissent Rights (or, if exercised, remain unwithdrawn), and Pure Nickel shall have received a certificate dated the Effective Date setting out in detail all Dissent Rights exercised or purported to have been exercised;

(f) the Explor Locked-up Shareholders shall have complied with their obligations under the Explor voting support agreements, and no event shall have occurred that, with notice or lapse of time or both, would give Pure Nickel the right to terminate any of the Explor voting support agreements; and

(g) Pure Nickel shall have received an opinion from Explor's counsel, in form and substance satisfactory to Pure Nickel, acting reasonably, as to title to the TPW Project.

Explor Conditions

The obligation of Explor to complete the transactions contemplated herein is subject to the following conditions on or before the Effective Date or such other time as specified below, each of which may be waived in whole or in part, Explor in writing at any time:

(a) the representations and warranties of Pure Nickel set forth in the Definitive Agreement shall be true and correct in all material respects as of the Effective Time as though made on and as of the Effective Date;

(b) all covenants of Pure Nickel under the Definitive Agreement to be performed on or before the Effective Date shall have been duly performed by Pure Nickel or Subco as applicable in all material respects;

(c) there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public), any event, change, occurrence or state of facts that, either individually or in the aggregate, have or could reasonably be expected to have a Material Adverse Effect on Pure Nickel;

(d) Pure Nickel will have allotted and issued the Pure Nickel Shares to be exchanged for Explor Shares pursuant to the Amalgamation and delivered duly executed and countersigned certificates representing such Pure Nickel Shares to the Depositary in accordance with the terms of the Amalgamation and the Depositary Agreement;

(e) Pure Nickel will have granted the Replacement Options in exchange for the Explor Options, as at the Effective Date pursuant to the Amalgamation and will have executed and delivered counterparts for stock option agreements in respect of such Pure Nickel Convertible Securities; and

(f) Pure Nickel shall have delivered evidence to Explor, acting reasonably, of the conditional approval of the listing and posting for trading on the TSXV of the Pure Nickel Shares to be issued pursuant to the Amalgamation, upon the exercise of Replacement Options, Adjusted Warrants and the Adjusted Debentures.

Non-Solicitation Covenants

Each of Pure Nickel and Explor have agreed that it shall not, directly or indirectly, through any representative, or otherwise, and shall not permit any such representative to: (i) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any information, permitting any visit to any facilities or properties of the other party or any of its Subsidiaries, including any material mineral properties, or entering into any form of written or oral agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal or potential Acquisition Proposal; (ii) enter into or otherwise engage or participate in any discussions or negotiations with any person (other than the other party and its affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal or potential Acquisition Proposal; (iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to the other party, the approval or recommendation of the party's board of directors of this Agreement or the Amalgamation; or (iv) accept, approve, endorse or recommend, or propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal.

Notwithstanding the foregoing, the board of directors of a party shall be permitted during the period commencing on the date hereof and ending at the time of the approval by the party's shareholders of the Transaction and the Amalgamation to engage in discussions or negotiations with, or provide information to, any person who delivers a written Acquisition Proposal that did not result from a breach of the non-solicitation provisions, if and only to the extent that the board of directors of the party has determined in good faith based on information then available and after consultation with its outside legal and financial advisors that such negotiations could reasonably be expected to lead to a Superior Proposal. If a party receives a Superior Proposal prior to the approval of the Transaction and the Amalgamation by its shareholders, the board of directors of the party may terminate the Definitive Agreement in order to enter into a definitive agreement with respect to such Superior Proposal, if and only if: (i) the person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing standstill or similar restriction; (ii) the party has been, and continues to be, in compliance with its obligations under the Definitive Agreement; (iii) the party has delivered to the other party a written notice of the determination of its board of directors that such Acquisition Proposal constitutes a Superior Proposal and of the intention of its board of directors to enter into such definitive agreement, together with a written notice from the its board of directors regarding the value and financial terms that the board of directors, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal (the "Superior Proposal Notice"); (iv) the party has provided the other party with a copy of such Acquisition Proposal; (v) at least five (5) Business Days (the "Matching Period") have elapsed from the date that is the later of the date on which the other party received the Superior Proposal Notice and the date on which the other party received a copy of such Acquisition Proposal from the party; (vi) during any Matching Period, the other party has had the opportunity (but not the obligation) to offer to amend this Agreement and the Amalgamation in order for such Acquisition Proposal to cease to be a Superior Proposal; (vii) the board of directors of the party has determined in good faith, based upon the written opinion of the party's outside legal counsel that it is necessary for the its board of directors to enter into a definitive agreement with respect to such Superior Proposal in order to properly discharge its fiduciary duties; and (viii) the party has: (A) terminated the Definitive Agreement pursuant to Section 10.2(c)(ii); and (B) entered into a binding agreement, understanding or Amalgamation with respect to the Superior Proposal.

Termination of Definitive Agreement

The Definitive Agreement at any time prior to the Effective Time:

(a) by mutual written consent of Pure Nickel and Explor;

(b) by either party upon notice by either one to the other if:

(i) if the Amalgamation Resolution shall not have been approved or adopted by the Explor Shareholders at the Explor Meeting;

(ii) if the Transaction Resolution shall not have been approved or adopted by the Pure Nickel Shareholders at the Pure Nickel Meeting;

(iii) if any final and non-appealable applicable law shall be effected by a governmental authority of competent jurisdiction that makes the consummation of the Amalgamation illegal or otherwise prohibits or enjoins any of the parties from consummating the Amalgamation;

(iv) if the Effective Date does not occur on or prior to the December 31, 2019, provided that the failure of the Effective Date to so occur is not due to the failure of the party seeking to terminate this Agreement to perform or observe the covenants and agreements of such party set forth herein.

(v) If the other party has not complied in all material respects with its covenants or obligations under this Agreement, or any representation or warranty of the other party set out in this Agreement shall have been at the date hereof untrue or incorrect or shall have become untrue or incorrect in a material respect at any time prior to the Effective Time (except for those expressly stated to speak at or as of any earlier time), in each case, only where such breach or default would, or would reasonably be expected to, prevent or materially delay the completion of the Amalgamation, and provided that Party is not then in material default of any of its covenants or obligations under the Definitive Agreement;

(vi) if the other party shall have approved, recommended or accepted an Acquisition Proposal;

(vii) if any change or event occurs which has a Material Adverse Effect on the other party; or

(viii) by Pure Nickel upon notice to Explor Atomic if Dissent Rights are exercised with respect to more than 5% of the issued and outstanding Explor Shares.

Interest of Certain Persons in the Transaction

None of the directors and officers of Pure Nickel have any interests in Explor that may present them with actual or potential conflicts of interest in connection with the Transaction.

Securities Law Matters

Canadian Securities Law Considerations

The distribution of the Pure Nickel Consideration Shares pursuant to the Definitive Agreement will constitute a distribution of securities that is exempt from the prospectus requirements of Canadian securities laws. The Pure Nickel Consideration Shares may be resold in each of the provinces of Canada provided the trade is not a "control distribution" as defined in National Instrument 45-102 – *Resale of Securities of the Canadian Securities Administrators*, no unusual effort is made to prepare the market or create a demand for those securities, no extraordinary commission or consideration is paid in respect of that sale and, if the selling security holder is an Insider or officer of Pure Nickel, the Insider or officer has no reasonable grounds to believe that Pure Nickel is in default of Securities Laws.

TSXV Approval

The TSXV has conditionally approved the Transaction, subject to the satisfaction of certain customary conditions. Although Pure Nickel Shareholder approval is not specifically required by the polices of the TSXV, Pure Nickel has elected to seek the approval of its shareholders.

United States Securities Law Considerations

The Transaction involves the distribution of the Pure Nickel Consideration Shares and Pure Nickel Convertible Securities to the Explor Shareholders and the holders of Explor Convertible Securities in exchange for their Explor Shares and Explor Convertible Securities. Pure Nickel is a public company existing under the laws of Canada. Explor is a public company existing under the provincial laws of Alberta. The Transaction is subject to the disclosure requirements of a foreign jurisdiction, which are different from those of the United States. The Pure Nickel Consideration Shares and Pure Nickel Convertible Securities to be issued to the Explor Shareholders and the holders of Explor Convertible Securities in the United States pursuant to the Transaction have not been registered under the U.S. Securities Act or the securities laws of any state of the United States and are being issued in the United States in reliance on the exemption from registration set forth in Rule 802 thereunder ("**Rule 802**") and exemptions provided under the securities laws of each applicable state of the United States. Rule 802 provides an exemption from registration under the U.S. Securities Act for offers and sales of securities issued in exchange for securities of a foreign subject company where:

I. each of Explor and Pure Nickel are a "foreign private issuer", as defined in Rule 405 under the U.S. Securities Act;

II. Explor Shareholders in the United States hold no more than 10% of the securities that are the subject of the Transaction;

III. Explor Shareholders in the United States participate in the Transaction on terms at least as favourable as those offered to any other holder of the subject securities;

IV. an informational document in connection with the Transaction is published or disseminated to Pure Nickel Shareholders in the United States, complying with the disclosure requirements set forth in Rule 802, on a comparable basis to that provided to holders of the subject securities in the foreign subject company's home jurisdiction; and

V. the informational document, including any amendments thereto, is furnished to the SEC on Form CB together with a Form F-X to appoint an agent for service of process in the United States.

This Circular will be filed with the SEC on Form CB.

The Pure Nickel Shares, upon completion of the Transaction, will not be listed for trading on any United States stock exchange and the solicitation of proxies for the Pure Nickel Meeting is not subject to the requirements of Section 14(a) of the U.S. Securities Exchange Act of 1934. Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a foreign issuer in accordance with foreign corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in such foreign jurisdiction. Pure Nickel Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act.

Specifically, information concerning the operations of Explor and Pure Nickel contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. The unaudited pro forma financial statements and the unaudited and audited historical consolidated financial statements of Explor included in this Circular, and in the case of Pure Nickel incorporated by reference, have been presented in Canadian dollars. The financial statements of Explor and Pure Nickel were prepared in accordance with IFRS. The annual audited financial statements included in this Circular are subject to Canadian auditing and auditor independence standards, which differ from United States GAAP and auditing and auditor independence standards in certain material respects, and thus may not be comparable to financial statements of United States companies. Likewise, information concerning assets and operations of Explor and Pure Nickel contained herein has been prepared in accordance with IFRS and is not comparable in all respects to similar information for United States companies.

The Pure Nickel Consideration Shares and Pure Nickel Convertible Securities issued to Explor Shareholders who hold securities which are restricted securities under U.S. securities laws and the holders of Explor Options will continue to be restricted securities under Rule 144(a)(3) under the U.S. Securities Act. Consequently, any resale of such Pure Nickel Consideration Shares is subject to the registration requirement of the U.S. Securities Act unless they are resold under an exemption or exclusion from the U.S. Securities Act. Subject to certain limitations, Holders of Pure Nickel Shares may resell their Pure Nickel Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S. Additionally, the U.S. Securities Act imposes restrictions on Pure Nickel Shares held by "affiliates" of Pure Nickel after the Transaction or who have been "affiliates" of Pure Nickel within 90 days prior to the Transaction. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Such affiliates (and former affiliates) may also resell Pure Nickel Shares pursuant to Rule 144 under the U.S. Securities Act, if available. However, unless certain conditions are satisfied, Rule 144 is not available for the resale of securities of issuers that have ever had (i) no or nominal operations; and (ii) no or nominal assets other than cash and cash equivalents.

Additionally, no broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorized by the Combined Company, Explor or Pure Nickel.

THE PURE NICKEL SHARES, PURE NICKEL CONSIDERATION SHARES AND PURE NICKEL CONVERTIBLE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Information Concerning Explor

Further detailed information concerning Explor and its Timmins West Porcupine ("TWP") Project can be found in Schedule C to this Circular. Schedule D to this Circular contains historical financial statements of Explor. Pure Nickel Shareholders are encouraged to review the information contained in these Schedules.

Information Concerning the Combined Company

Certain information concerning the Combined Company following completion of the Transaction can be found in Schedule F to this Circular. Schedule G to this Circular contains pro forma historical financial statements relating to the Combined Company. Pure Nickel Shareholders are encouraged to review the information contained in these Schedules.

Recommendation of the Pure Nickel Board

Having undertaken a thorough review of, and carefully considered the Transaction, as described above, the Pure Nickel Board has concluded that the Transaction in the best interests of Pure Nickel and recommends that the Pure Nickel Shareholders vote <u>FOR</u> the Transaction Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote <u>FOR</u> the Transaction Resolution.

Transaction Resolution

The Transaction Resolution must be passed by a simple majority of the votes cast by Pure Nickel Shareholders represented at the Meeting in person or by proxy. At the Meeting, Pure Nickel Shareholders will be asked to vote on the following Transaction Resolution, with or without variation:

"BE IT RESOLVED THAT:

1. the proposed acquisition by Pure Nickel Inc. (the "Company") of all of the issued and outstanding common shares of Explor ("Explor") by way of three-cornered amalgamation between Explor and 222739 Alberta Ltd.. ("Subco") and involving the Company (the "Transaction") under Section 181 of the *Business Corporations Act* (Alberta) (the "ABCA"), as more particularly described and set forth in the management proxy circular of the Company dated November 8, 2019 (as the Transaction may be amended, modified or supplemented in accordance with its terms), is hereby authorized, approved and adopted;

2. the (i) Definitive Agreement dated as of August 22, 2019 between the Company and Explor and related transactions, (ii) actions of the directors of the Company in approving the Definitive Agreement, and (iii)

actions of the directors and officers of the Company in executing and delivering the Definitive Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved;

3. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) amend, modify or supplement the Definitive Agreement to the extent permitted by the Definitive Agreement; (ii) approve, on behalf of the Company as the sole shareholder of Subco, any amendment, modification or supplement to the Definitive Agreement to the extent permitted by the Definitive Agreement; and (ii) subject to the terms of the Definitive Agreement, not to proceed with the Transaction and related transactions; and

4. any one officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

Approval of Name Change

At the Meeting, Shareholders will be asked to consider and, if thought fit, pass with or without variation, a special resolution (the "Name Change Resolution") authorizing the board of directors to the change the Company's name from "Pure Nickel Inc." to "Galleon Gold Corp.", or such other name as may be determined by the board of directors and be acceptable to the TSXV and applicable regulatory authorities (the "Name Change"). The Company's articles will be amended to affect the Name Change.

In accordance with the Company's Articles and the CBCA, the Name Change Resolution must be approved by a majority of not less than two-thirds of the votes cast by holders of Shares present in person or represented by proxy and entitled to vote at the meeting. At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, the following Name Change Resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

(a) the Company is hereby authorized to amend its articles to change the name of the Company from "Pure Nickel Inc." to "Galleon Gold Corp." or to such name as determined by the board of directors that is acceptable to the TSX Venture Exchange and applicable regulatory authorities;

(b) any one director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution; and

(c) notwithstanding that this Name Change Resolution has been duly passed by the Shareholders of the Company; the board of directors may revoke this Name Change Resolution at any time and determine not to proceed with the Name Change as contemplated hereby if such revocation is considered desirable by the board of directors without further approval of the Shareholders of the Company."

The board of directors unanimously recommends that the Shareholders approve the Name Change and vote <u>FOR</u> the Name Change Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote <u>FOR</u> the Name Change Resolution.

Transfer of Royalty Interest

The Company is proposing to enter into an agreement with David R. McPherson and Jennifer M. McPherson (the "Royalty Transfer Agreement") to transfer its royalty interest in a copper mine located in Milford, Utah (the "Royalty") to David McPherson, the former President and CEO of the Company, and Jennifer M. McPherson. Under the terms of the Royalty Transfer Agreement, the Company's wholly-owned Subsidiary, Nevada Star Resources Corp. (US), will transfer all of its rights to the Royalty to Mr. and Mrs. McPherson in consideration of Mr. McPherson releasing the Company from any and all severance entitlements outstanding under the Transition Services Agreement dated May 26, 2017 between David McPherson and the Company (the "Transition Agreement").

Severance entitlements currently outstanding are $485,866. The Royalty is carried on Pure Nickel's balance sheet at $1.

At the Meeting, the Pure Nickel Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set out below, to approve the transfer by the Company of the Royalty (the "Royalty Transfer Resolution"). The Company is seeking approval of Shareholders for the transfer in accordance with the requirements of the TXSV. The votes attaching to any Shares held by David R. McPherson and Jennifer M. McPherson will be excluded in determining whether or not the Royalty Transfer Resolution has been passed by Shareholders.

The following is the full text of the Royalty Transfer Resolution:

"BE IT RESOLVED THAT:

(a) subject to final approval of the TSX Venture Exchange, the Company is hereby authorized to transfer the Royalty to David R. McPherson and Jennifer M. McPherson in consideration of Mr. McPherson releasing the Company from all causes of actions, suits, debts, covenants, contracts, claims, liabilities and demands for damages related to his employment with the Company or the Transition Agreement dated May 26, 2017;

(b) the Company is hereby authorized to enter into an agreement to give effect to the transfer of the Royalty on substantially the foregoing terms;

(c) any one director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution; and

(d) notwithstanding that this Royalty Transfer Resolution been duly passed by the Shareholders of the Company, the board of directors may revoke this Royalty Transfer Resolution at any time and determine not to proceed with the Royalty Transfer Resolution as contemplated hereby if such revocation is considered desirable by the board of directors without further approval of the Shareholders of the Company."

The board of directors unanimously recommends that the Shareholders vote FOR the Royalty Transfer Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Royalty Transfer Resolution.

Other Matters

Management knows of no matters to come before the Meeting other than as set forth in the notice of Meeting.

HOWEVER, IF OTHER MATTERS WHICH ARE NOT NOW KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, IT IS THE INTENTION OF THE PERSONS NAMED IN THE PROXY TO VOTE SUCH PROXY IN ACCORDANCE WITH THEIR BEST JUDGEMENT.

RISK FACTORS

The securities of Pure Nickel (and correspondingly those of the Combined Company) should be considered highly speculative due to the nature of the Combined Company's proposed business. An investment in Pure Nickel or the Combined Company is highly speculative. Such investment will be subject to certain material risks and investors should not invest in securities of Pure Nickel or the Combined Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Combined Company. In evaluating the Transaction, the Combined Company and its prospective business, investors should carefully consider these, in addition to the other information contained in this Circular. Readers should note that this list is not a definitive list of all risk factors associated with an investment in Pure Nickel or the Combined Company or in connection with the Combined Company's proposed operations upon completion of the Transaction, and other events could arise that have a material adverse effect on the business of Pure Nickel or the Combined Company.

Risks Related to the Transaction

The Transaction May Not Be Completed

Each of the parties has the right to terminate the Definitive Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurance, that the Definitive Agreement will not be terminated before the completion of the Transaction. In addition, the completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the parties, including approval of the Amalgamation Resolution by the Explor Shareholders, the approval of the Transaction Resolution by the Pure Nickel Shareholders and approval of the TSXV. There is no certainty, nor can the parties provide any assurance, that these conditions will be satisfied. If for any reason the Transaction is not completed, the market price of the Pure Nickel Shares may be adversely affected. If the Transaction is not completed and Explor cannot obtain a material property interest or financing for working capital requirements, the financial condition of Explor may be materially adversely affected.

Pure Nickel will incur costs

Certain costs related to the Transaction, such as legal, accounting and certain financial advisor fees, must be paid by Pure Nickel even if the Transaction is not completed. Pure Nickel and Explor are each liable for their own costs incurred in connection with the Transaction.

Risk Factors Related to the Business of the Combined Company

General Risks

Possible Failure to Realize Anticipated Benefits of the Transaction

The success of the Combined Company will depend in large part on successfully consolidating functions and integrating operations, projects, procedures and personnel in a timely and efficient manner, as well as the Combined Company's ability to realize the anticipated growth opportunities. The inability to achieve such growth could result in the failure of the Combined Company to realize the anticipated benefits of the Transaction and could impair the results of operations, profitability and financial results of the Combined Company.

Limited Operating History

The Combined Company will be a relatively new company with a limited history of operations, business and mining operations, and no production history. The Combined Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. There is no assurance that the Combined Company will be able to successfully complete its financing and development plans or operate profitably over the short or long term. The Combined Company will have incurred net losses and negative cash flow from operations to date and there is no assurance that the Combined Company will earn profits, or that profitability, if achieved, will be sustained. Shareholders will have to rely on the expertise and good faith of management to identify, acquire, develop and operate commercially viable mineral projects. No assurance can be given that the Combined Company's investigations and efforts will result in the acquisition and development of commercially viable mineral sources. If the Combined Company's efforts are unsuccessful over a prolonged period of time, the Combined Company may have insufficient working capital to continue to meet its ongoing obligations and its ability to obtain additional financing necessary to continue operations may also be adversely affected. Even if the Combined Company is successful in developing one or more mineral projects, there is no assurance that these projects will be profitable.

Reliance on the Directors and Officers

The Combined Company will have a small management team and the unexpected loss of any of these individuals would have a serious impact on the business. Specifically, the Combined Company will be dependent upon the skills of its directors and officers for the successful operation of its business. At present, there is no key-man insurance in place for any members of the management team of either Pure Nickel or Explor. The loss of services of any of these personnel could have a material adverse effect on the business of the Combined Company. The Combined Company will also rely on a team of consultants to carry out its business objectives and the unexpected loss of any of these consultants could have a serious impact on the business.

Inability to Manage Growth

If the Combined Company is unable to effectively manage its planned growth and expansion, its growth strategy could be negatively affected. Any inability to manage growth effectively could have a material adverse effect on the business, results of operations and financial condition of the Combined Company.

Industry Risks

Exploration, Development and Operating Risks

The Combined Company's mining and exploration activities will involve significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Combined Company's current and planned mineral exploration and development will be required. No assurances can be given that the Combined Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Combined Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Combined Company or at all. If the Combined Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Fluctuating Mineral Prices and Marketability of Minerals

The economics of mineral exploration are affected by many factors beyond the Combined Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Combined Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the properties in which the Combined Company has an interest.

General Economic Conditions

The events in global financial markets recently have had a profound impact on the global economy. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of a possible financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Combined Company's growth.

Competition

The mineral exploration and development industry is highly competitive. The Combined Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Combined Company, for, among other things, the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Combined Company and its prospects.

Litigation

The Combined Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Risks Related to Mineral Property Interests

Exploration Properties

The properties in which the Combined Company will hold an interest or the right to acquire an interest, are in the exploration stage, but in the case of TPW Property, contain an identified resource. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that the Combined Company's exploration and development activities will result in the development of commercial bodies of ore. The long-term success of the Combined Company's operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. There is no assurance that the Combined Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Combined Company will result in a profitable commercial mining operation as the economic viability of the project would depend on obtaining favourable exploration results and commodity prices. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Combined Company not receiving an adequate return on invested capital. No assurance can be given that the minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a favourable basis.

If any of the Combined Company's properties is found to have commercial quantities of ore, the Combined Company would be subject to additional risks respecting any development and production activities. Mining operations generally involve a high degree of risk. The Combined Company's future operations would be subject to all the hazards and risks normally encountered in the exploration, development and production of base metals, including unusual and unexpected geologic formations, seismic activity, ground failure, rock bursts, cave-ins, flooding and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Combined Company's operations, financial condition and results of operations.

There is no certainty that the expenditures made by the Combined Company towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore. The Combined Company's ability to execute its planned exploration programs on a timely basis is dependent on a number of factors beyond the Combined Company's control including availability of drilling services, third party contractors and equipment, ground conditions, weather conditions and permitting.

Uncertainty in the Estimation of Mineral Resources

The figures for mineral resources contained in this Circular are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral resources could be mined or processed profitably. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation.

The Combined Company mineral resource estimates have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining and Metallurgy ("**CIM**") Classification System. However, such figures are estimates, and no assurance can be given that the indicated level of mineral will be produced. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Combined Company's control. Fluctuations in the commodity prices may render mineral resources containing lower grades of mineralization uneconomic.

Fluctuation in commodity prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources, or of the Combined Company's ability to extract these mineral resources, could have a material adverse effect on the Combined Company's operations and financial condition.

Results of Prior Exploration Work

In preparing any technical reports on the Combined Company's properties, the authors of such reports relied on data previously generated by exploration work carried out by other parties. There is no guarantee that data generated by prior exploration work is 100% reliable and discrepancies in such data not discovered by the Combined Company may exist. Such errors and/or discrepancies, if they exist, could impact on the accuracy of the technical reports.

Environmental Risks and Hazards

All phases of the Combined Company's operations are subject to environmental regulations, including but not limited to the maintenance of air and water quality, land reclamation, environmental pollution and the generation of transportable storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not have material adverse effects on the Combined Company's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Combined Company holds interests which are unknown at present and which have been caused by previous or existing owners of the properties. To the extent the Combined Company is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts will reduce funds otherwise available for operations.

Government approvals and permits are currently required, or may be required in the future, in connection with the Combined Company's operations. To the extent such approvals are required and not obtained, the Combined Company may be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations and parties that were engaged in operations in the past, may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent implementation thereof, could have a material adverse impact on the Combined Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Government Regulation of the Mining Industry

The current and future operations of the Combined Company, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral rights in the jurisdiction of the mineral properties location. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that the Combined Company will be successful in obtaining all required permits. Amendments to current laws and regulations governing the operations and activities of the Combined Company or more stringent implementation thereof could have a material adverse effect on the Combined Company's business, financial condition and results of operations. Further, there can be no assurance that all permits which the Combined Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Combined Company may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Combined Company may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Combined Company is not currently covered by any form of environmental liability insurance. See "Insurance and Uninsured Risks", below. Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Combined Company and cause increases in capital expenditures or require abandonment or delays in exploration.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the Combined Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with varied or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Combined Company's business, financial condition and results of operations.

Insurance and Uninsured Risks

The Combined Company's business is subject to a number of risks and hazards including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Combined Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although the Combined Company maintains liability insurance in amounts which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Combined Company may elect not to insure against such liabilities due to high premium costs or other reasons, in which event the Combined Company could incur significant costs that could have a materially adverse effect upon its financial position.

The Combined Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration) has not been generally available to companies within the industry. The Combined Company will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. The Combined Company may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Without such insurance, and if the Combined Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Combined Company has to pay such liabilities and result in bankruptcy. Should the Combined Company be unable to fund the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedial work.

Investment Risk

Investment may be lost

Although shareholders will not be bound by or be personally liable for the Combined Company's expenses, liabilities or obligations beyond their total original capital contributions, should the Combined Company suffer a deficiency in funds with which to meet its obligations, shareholders as a whole may lose their entire investment.

Dilution

Because it is expected that the Combined Company's success will be highly dependent upon its directors, officers and consultants, the Combined Company expects to grant in connection with the completion of the Transaction, and may again in the future grant, Options to some or all of its key officers, directors, employees and consultants as non-cash incentives. To the extent that significant numbers of such Options in the Combined Companies may be granted and exercised, the interests of shareholders may be diluted.

Dividends

Neither Explor nor Pure Nickel has ever paid any cash dividends and the Combined Company does not currently intend to pay any dividends for the foreseeable future. Because the Combined Company does not intend to declare dividends, any gain on an investment in the Pure Nickel Shares will need to come through an increase in the share price. This may never happen and investors may lose all of their investment in the Combined Company.

Lack of Active Market

There can be no assurance that an active market for the Shares of the Combined Companies will exist and any increased demand to buy or sell the Shares of the Combined Companies can create volatility in price and volume.

Market Price of the Shares of the Combined Companies

There can be no assurance that an active market for the Shares of the Combined Companies will exist. Securities of small and mid-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global economic developments and market perceptions of the attractiveness of certain industries. The price per share is also likely to be affected by change in commodity prices, or in the Combined Company's financial condition or results of operations as reflected in its quarterly and annual filings. Other factors unrelated to the performance of the Combined Company that may have an effect on the price of the shares include the following: the extent of analytical coverage available to subscribers concerning the business of the Combined Company may be limited if investment banks with research capabilities do not follow the Combined Company's securities; and lessening in trading volume and general market interest in the Combined Company's securities may affect a subscriber's ability to trade significant numbers of shares in the Combined Companies, the size of the Combined Company's public float may limit the ability of some institutions to invest in the Combined Company's securities. If an active market for the shares in the Combined Companies does not exist, the liquidity of an investment in shares may be limited and the price of the shares may decline.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following Compensation Discussion and Analysis describes and explains the significant elements of our compensation programs. The objectives of our compensation program are to retain and motivate qualified executive officers who will drive our success while promoting an alignment of interests between the executive officers and the

Shareholders. Compensation consists of three elements: base salary, short-term incentive bonus, and options ("Options"). The Compensation Committee reviews annually each component and appropriate competitive factors, and makes recommendations based upon performance.

Base salaries: The primary element of our compensation program is base salary. Our view is that a competitive base salary is a necessary element for retaining and attracting qualified employees. The base salary of each executive is determined based upon survey data and other competitive information, number of years' experience, and comparison to other base salaries paid in similar situations. The Compensation Committee commissioned an independent report on Chief Executive Officer ("CEO") compensation in 2007 which formed the basis for compensation in the 2008 fiscal year and for subsequent years. The marketplace study examined the four main compensation components (base salary, bonus, other compensation and Options) of approximately 70 junior exploration and mining companies. CEO compensation

In order to assist the Company in preserving cash, effective November 1, 2014 the CEO elected to defer 20% of his base salary. On February 1, 2017 the CEO agreed to cease receiving compensation, and on May 26, 2017 he signed a Transition Agreement with the Company to terminate his employment without "just cause". In recognition that the Company had insufficient funds to settle termination entitlements and in consideration for his on-going commitment to assist the Company, it was agreed termination payments could be made in whole or in part as funds became available, and immediately upon liquidation of the Company's assets.

Short-term incentive bonus: In addition to establishing competitive base salaries and option incentives, one of the objectives of the executive compensation strategy is to encourage and recognize strong levels of performance by linking achievement of specific goals with variable cash compensation in the form of a short-term incentive bonus. Target bonus awards range up to 50% of base salary for the achievement of specific operational objectives, subject to market conditions. The amount of any bonus is based upon a recommendation of the Compensation Committee and discussion with the full board of directors. No bonuses have been paid since 2013 (bonuses paid during the 2013 fiscal year were on account of performance achievements during the previous fiscal year).

Options: The number of Options granted is reviewed at each grant date to provide medium-term incentives. The determination as to the number of Options awarded is arrived at subjectively based upon a recommendation of the Compensation Committee and discussion with the full board of directors. The terms and conditions of Options granted to executives and other employees are reviewed for each grant at the time that it is made. There were 4,600,000 Options outstanding at the Record Date.

Summary Compensation Table

There were two Named Executive Officers during the year ended November 30, 2018: David McPherson, President and CEO and Thomas Kofman, Chief Financial Officer ("CFO") (from January 31, 2017). "Named Executive Officer" means each of the following individuals (a) a CEO; (b) a CFO (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than $150,000; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

The following table sets forth information concerning annual and long-term compensation for services rendered to the Company in respect of the individual Named Executive Officers.

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards(1) ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total ($)
					Annual Incentive Plans	Long-term Incentive Plans			
David McPherson(2,3)	2018	–	–	–	–	–	–	-	-
President and Chief Executive Officer	2017	44,000(6)	–	–	–	–	–	657,606(5)	701,606
	2016	264,000(7)	–	–	–	–	–	18,000(4)	282,000
Sonia Agustina(8)	2018	18,000	–	–	–	–	–	–	18,000
Chief Financial Officer	2017	–	–	–	–	–	–	–	-
	2016	–	–	–	–	–	–	–	-
Thomas Kofman(9)	2018	–	–	–	–	–	–	–	–
Interim Chief Financial Officer	2017	–	–	–	–	–	–	–	–
	2016	–	–	–	–	–	–	–	–

Notes:

(1) The fair value of the Options granted was estimated using the Black-Scholes option pricing model at the date of each grant. No Options were modified.
(2) Mr. McPherson ceased his role as President and Chief Executive Officer on January 11, 2019.
(3) On February 1, 2017 salary payments to Mr. McPherson were stopped and a Transition Agreement regarding employment and severance entitlements was entered into between the Company and Mr. McPherson. In 2018 Mr. McPherson was paid $181,460 in relation to the severance entitlements.
(4) All other compensation consists of a car allowance.
(5) Includes severance compensation as per Transition Agreement of $653,360 and car allowance of $4,246. In 2018 severance payments of $181,460 were made, thus reducing amount outstanding.
(6) Includes deferred compensation of $ 8,800.
(7) Includes deferred compensation of $52,800.
(8) On March 9, 2018 Sonia Agustina was appointed CFO of Pure Nickel Inc. and is compensated under a consulting services agreement.
(9) On January 31, 2017 Thomas Kofman was appointed interim CFO and did not receive any compensation.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

There were no share-based or option-based awards held by Named Executive Officers as at November 30, 2018.

Value Vested or Earned During the Year

For the fiscal year ended November 30, 2018, no share-based or option-based awards held by Named Executive Officers vested during the year and no value was earned by Named Executive Officers during the year under any non-equity incentive plan.

Share-Based and Option-Based Awards

The timing of the grant and number of Shares made subject to option, with respect to Options proposed to be granted by the Company to its executive officers, is recommended by the CEO, reviewed and approved (or revised, if thought appropriate) by the Compensation Committee and implemented by a resolution of the board. The review of proposed Option grants by the Compensation Committee (which is composed of independent directors) and the implementation thereof by the board (which is comprised of a majority of independent directors) provides the independent directors with significant input into such compensation decisions. Previous grants of Options are taken into account when considering new grants. There are at present no policies that forbid a Named Executive Officer or a director from acquiring financial instruments to hedge a decrease in the market value of share-based or option-based securities. To the knowledge of the Company, for the fiscal year ended November 30, 2018, no Named

Executive Officer or director, directly or indirectly, employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

Pension Plan Benefits

The Company does not have any pension plans that provide for retirement benefits or payments for directors and executive officers at, following or in connection with retirement.

Termination and Change of Control Benefits

The Company had no contracts, agreements, plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in our most recently completed financial year in respect of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.), or as a result of a change in responsibilities following a change of control, except for the Transition Agreement with Mr. McPherson, our former President and CEO. The Transition Agreement sets out conditions for Mr. McPherson's termination without "just cause" and without notice effective December 31, 2017. As described in the Transition Agreement, Mr. McPherson is entitled to severance of 24 months' salary, any variable compensation that would have been paid during the notice period, equal to $646,800, plus USD$100,000. Current amounts outstanding to Mr. McPherson are $485,886. The Company has agreed to transfer the Milford copper royalty to Mr. McPherson in exchange for him releasing the Company from any further Transition Agreement severance entitlements. The Royalty is currently carried on our balance sheet at $1.

Director Compensation

Summary Compensation Table

The following table shows the compensation received by each director, other than a director who served as a Named Executive Officer for the fiscal year ended November 30, 2018.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compen-sation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Thomas Kofman	14,250	–	–	–	–	–	14,250
R. David Russell	18,937	–	–	–	–	–	18,937
W.S. (Steve) Vaughan	9,750	–	–	–	–	–	9,750

Members of the board of directors, other than directors who served as NEOs, receive director fees in accordance with the schedule shown below. These amounts were determined by the Compensation Committee based upon an analysis of peer company director remuneration prepared by management, approved by the board for the fiscal year ended November 30, 2010, and have been unchanged since then. During the year ended November 30, 2014, the board of directors passed a resolution to reduce director's fees by 25% for fiscal 2014. This reduction continued in fiscal 2015-2018. The director's fees earned included in the table above reflect this 25% reduction.

Annual fee – Chair of the board	$20,000	$15,000(1)
Annual fee – Chair of the Audit Committee	$15,000	$11,250(1)
Annual fee – other directors	$10,000	$7,500(1)
Fee per board or committee meeting attended	$500	$375(1)
Fee per committee meeting attended for chair of the committee	$750	$562(1)

Notes:

(1) For fiscal 2018 (reflecting 25% reduction)

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

There were no share-based or option-based awards held by Named Executive Officers as at November 30, 2018.

Value Vested or Earned During the Year

For the fiscal year ended November 30, 2018, no share-based or option-based awards held by Named Executive Officers vested during the year and no value was earned by Named Executive Officers during the year under any non-equity incentive plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As of November 30, 2018, the securities authorized for issuance under our equity compensation plan were as set out below. A description of the significant terms under the equity compensation plan is set out following the table.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders	N/A	N/A	N/A
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	Nil	Nil	Nil

Summary of the Stock Option Plan

The Company's current stock option plan is a 10% fixed plan adopted by the Board on February 19, 2019 (the "Option Plan"). The purpose of the Option Plan is to advance the interests of the Company by furthering the Company's policy of motivating officers, directors, consultants and employees to participate in the Company's growth and development. Under the Option Plan, the Company may grant Options pursuant to which Shares may be purchased by directors, officers, employees, consultants and service providers of the Company up to a maximum of 6,814,487 common shares. If the New Option Plan is approved at the Meeting, no additional options will be granted under the Option Plan

The following is a brief description of the Option Plan:

- Options may be granted under the Option Plan to a director, officer, employee, consultant or service provider of the Company.
- The Option Plan is administered by the Compensation Committee. The Compensation Committee makes recommendations to the board, and the board has the power, subject to the terms of the Option Plan and TSXV policies, to (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Option Plan; (b) interpret and construe the Option Plan and to determine all questions arising out of the Option Plan; (c) determine the number of Shares covered by each Option; (d) determine the exercise price of each Option; (e) determine the time or times when Options will be granted and exercisable; (f) determine if the Shares which are issuable on the exercise of an Option will be subject to any restrictions upon the exercise of such Option; and (g) prescribe the form of the Instruments relating to the grant, exercise and other terms of Options. The board has the power to grant Options, with or without a recommendation of the Compensation Committee.
- the aggregate number of Shares to be delivered upon the exercise of all Options granted under the Option Plan shall not exceed 6,814,487 Shares.

- No person may be granted Options to acquire more than 5% of the issued and outstanding Shares in any 12-month period unless the Company has obtained disinterested shareholder approval.
- No consultant or service provider may be granted Options to acquire more than 2% of the issued and outstanding Shares in any 12-month period.
- The aggregate number of Options granted to employee optionees conducting investor relations activities cannot exceed 2% of the issued and outstanding Shares in any 12-month period.
- Options cannot be issued below the last closing price of the Shares prior to the grant, and must be issued in accordance with the policies of the TSX Venture Exchange.
- An Option may be granted for a period of up to ten years from the date of the granting thereof. If an option holder resigns or is terminated for cause his/her Options shall expire immediately.
- Options granted under the Option Plan are non-assignable and non-transferable, other than by will or by the laws of descent.
- The board of directors of the Company has complete discretion to set the terms of any vesting schedule for each Option granted, including without limitation, discretion to: (i) permit partial vesting in stated percentage amounts based on the terms of such Option; and (ii) permit full vesting after a stated period of time has passed from the date that such Option was granted.
- Subject the rules of the TSXV, the Committee may make certain amendments to the Option Plan without further shareholder approval.

CORPORATE GOVERNANCE PRACTICES

The Board and management consider good corporate governance to be central to effective and efficient operations. Through the Corporate Governance and Nominating Committee, the Board reviews, evaluates and modifies its governance program to ensure it is of the highest standard. The Board is satisfied that the Company's governance plan is consistent with legal and stock exchange requirements. Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* the Company is required to disclose certain information relating to its corporate governance practices. This information is set out below.

Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

The following two directors are independent: James T. O'Neil and W.S. (Steve) Vaughan. Two directors of the Board are not independent. Following the Meeting, the Board will be comprised of four (4) members, of which two (2) will be independent.

The Board facilitates its exercise of independent supervision over management by ensuring that at least half of its directors qualify as independent directors pursuant to NI 58-101 and by establishing committees that are comprised of a majority of independent members.

The following proposed directors are currently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Issuer
Thomas Kofman	Urbanfund Corp. Tempus Capital Inc.

The Board and its committees meet as necessary in the absence of the President and CEO and other members of management. The Audit Committee also holds *in camera* sessions with only the external auditors present.

Position Description

The Board has developed written position descriptions for the Chairman and the chair of each Board committee. The Board has developed a written position description for the CEO.

Orientation and Continuing Education

Due to the size of the Board, no formal program exists for the orientation of new directors. Upon joining the Board, new directors will be given access to all of the background documents of the Company, including all corporate records, by-laws, corporate policies, organization structure and prior board and committee minutes. Candidates for election to the Board will have been allowed the opportunity to review appropriate portions of such material prior to their having indicated their consent to stand for election as directors, in order to assess their suitability as directors.

No formal continuing education program exists for directors of the Company. As part of continuing education, the Board will receive management presentations with respect to the operations and business risks as needed. In addition, the individual directors identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics applicable to the directors, officers and employees. A copy of the Code of Business Conduct and Ethics is available for review on our website at www.purenickel.com.

When situations of non-compliance with the code become known to management, it would take appropriate disciplinary actions. Management is required to report violations of the code and any actions taken to the Corporate Governance and Nominating Committee. The Board monitors this by periodic reporting by the Corporate Governance and Nominating Committee to the full Board. There have not been any material change reports filed since the beginning of the Company's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the code. Directors recuse themselves from discussions where they have a conflict of interest or may be perceived to have a conflict of interest. The Chair may also request that a director recuse himself or abstain from voting on an issue if he feels that there may be a conflict or if required by law.

The Board has adopted a Whistleblower Policy which provides employees, management, officers, directors, contractors, consultants and committee members with the ability to report, on a confidential and anonymous basis: (a) any concern that an employee, director, officer or consultant has committed an actual or apparent violation of the *Code of Conduct and Ethics Policy* or *Whistleblower Policy;* (b) any actual or apparent violation of our *Insider Trading Policy;* (c) any significant violation of any other of our policies; (d) any complaint regarding accounting, internal controls, disclosure controls or auditing matters, or (e) any good faith concerns regarding possible fraud, or questionable accounting or auditing matters. A copy of our Whistleblower Policy is available for review on our website at www.purenickel.com.

Nomination of Directors

The Nominating and Governance Committee is responsible for establishing and articulating qualifications, desired background, and selection criteria for members of the Board taking account of any applicable securities laws, rules or guidelines, or stock exchange requirements or guidelines. The Nominating and Governance Committee makes recommendations to the full Board concerning all nominees for board membership. When it is determined that a new director is desirable, the Nominating and Governance Committee will engage in appropriate activities to ensure an effective process for selecting candidates for nomination, including developing criteria for the selection of a new director and identifying and recommending individuals qualified and suitable to become directors. The Chair or the Chief Executive Officer will meet with potential new candidates prior to nomination to discuss the time commitments and performance expectations and approval by the Board for the nomination will be requested. The Nominating and Governance Committee has adopted a written charter which is available on the Company's website at www.purenickel.com.

Compensation

The Compensation Committee is responsible for setting and administering the policies and programs that govern both annual compensation and Option programs for the executive officers and directors of the Company. The Compensation Committee is also responsible for providing oversight with regard to the Company's various programs of compensation, including all incentive plans, stock option plans and stock purchase plans. The Compensation Committee has adopted a written charter which is available on the Company's website at www.purenickel.com.

Audit

The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in the following principal areas: (1) accounting policies and practices, (2) the financial reporting process, (3) financial statements provided by the Company to the public, (4) risk management including systems of accounting and financial controls, (5) appointing, overseeing and evaluating the work and independence of the external auditors, and (6) compliance with applicable legal and regulatory requirements.

The Company's management is responsible for preparing the Company's financial statements while the external auditors are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of those activities by the Company's management and external auditors and overseeing the activities of any internal audit initiatives. The Company's external auditors are accountable to the Audit Committee as representatives of the Company's Shareholders. The Audit Committee has adopted a written charter which is available on the Company's website at www.purenickel.com.

The members of the Audit Committee are R. David Russell, W.S. (Steve) Vaughan and Thomas Kofman. At the year- ended November 30, 2018, R. David Russell and W.S. (Steve) Vaughan were "independent" directors as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). R. David Russell is no longer independent and will be replaced following the election of the Initial Slate. Each member of the Audit Committee is considered to be "financially literate" within the meaning of NI 52-110, which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the Company's financial statements. The Audit Committee has adopted a written charter which is available on the Company's website at www.purenickel.com and is included in Schedule B.

Relevant Education and Experience

The relevant education and experience of each of the members of the Audit Committee is as follows:

Name of Member	Education	Experience
Thomas Kofman	Chartered Accountant Bachelor of Arts from York University	Mr. Kofman has over 25 years of experience in North American capital markets as both issuer and banker. He was a founder and chairman of M Partners Inc., an independent full-service investment bank until April 2018. Mr. Kofman has served as Senior Vice President and Chief Financial Officer of IPC Financial Network Inc., Vice President of Finance and Chief Financial Officer of RealFund as well Freed Developments, a real estate development company.
R. David Russell	Bachelor of Science from University of Montana, School of Mineral Science and Technology	Mr. Russell has over three decades of executive experience in the mineral exploration and development industry. From 2002 to June 2010 Mr. Russell was President, CEO and a director of the former Apollo Gold Corporation, (now First Majestic Silver). Mr. Russell's previous positions included Vice-President and CEO of Getchell Gold Company/Placer Dome Gold, General Manager, US Operations, LAC Minerals Ltd. (now Barrick Gold Corporation).
W.S. (Steve) Vaughan	Honorary Doctor of Law University of New Brunswick	Mr. Vaughan, a lawyer, has participated in natural resource transactions in more than 65 countries and/or separate mineral regulatory regimes over his career. Mr. Vaughan has served on various committees advising the Canadian government, the

Name of Member	Education	Experience
	Bachelor of Civil Law from University of New Brunswick Masters of Science from McGill University Bachelor of Science from University of New Brunswick	Ontario Securities Commission and the Toronto Stock Exchange on issues such as mineral policy, mineral strategy, mining finance, mining taxation, seed capital formation, junior resource policies, over-the-counter trading and nuclear issues. For 40 years Mr. Vaughan was the legal advisor to, and a director and member of, the Securities and Audit Committees of the Prospectors and Developers Association of Canada. He also was a former director of the Toronto Branch of the Canadian Institute of Mining, Metallurgy and Petroleum and a past member of the Joint Toronto Stock Exchange Ontario Securities Commission Mining Standards Task Force. Mr. Vaughan was counsel at the law firm Heenan Blaikie LLP from 2007 to February 2014 and a partner at the law firm Dorsey Whitney LLP from February 2014 until December 2016. He is currently a sole practitioner mining lawyer with an international practice.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is required to pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

External Auditor Service Fees

The fees charged by our auditors over the last two fiscal years are set out below:

Year ended	*Audit fees(1)*	*Audit-related fees(2)*	*Tax fees(3)*	*All other fees*
November 30, 2019	$16,050	$285	$3,000	
November 30, 2018	$16,050	$285	–	–

Notes:

(1) Audit fees include services that are provided by the independent auditor in connection with statutory and regulatory filings, principally for the audit of the annual financial statements.
(2) Charges for CPAB disbursement
(3) Tax fees relate to fees in connection with certain tax advisory services provided to management.

Other Board Committees

The Technical Committee is responsible for reviewing the current and pending exploration programs and provides comments on progress and approval for exploration budgets. The Technical Committee has adopted a written charter which is available on our website at www.purenickel.com.

Director Assessments

At present, the assessment process for the Board, its committees and individual directors is informal. The Corporate Governance and Nomination Committee provides oversight over the assessment process and the effectiveness of board committees, board processes and individual directors. From time to time the full Board and its committees assess their performance and the achievement of their respective mandates.

Exemption

Since the Company is a "venture issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S., or a market outside of Canada and the U.S.), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no director or executive officer of Pure Nickel Inc., or any proposed nominees for election as a director or any associate of any such directors, executive officers or proposed nominees were indebted to Pure Nickel or any of our subsidiaries (whether or not in respect of a security purchase program).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There have been no transactions entered into since the beginning of our last completed fiscal year, or proposed to be entered into by us that have or will materially affect us or any of our affiliates involving an officer or director, a proposed nominee for election as a director, or any associate or affiliate of any of such persons.

MANAGEMENT CONTRACTS

No management functions of Pure Nickel or any of our subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of Pure Nickel or our subsidiaries.

ADDITIONAL INFORMATION

The information contained herein is given as of November 8, 2019, unless otherwise noted**.**

Additional information about us is available on SEDAR at www.sedar.com. Copies of our consolidated financial statements and accompanying management's discussion and analysis for the fiscal year ended November 30, 2018 are available on SEDAR, on our website, www.purenickel.com, or security holders may request copies to be sent to them without charge by contacting the Corporate Secretary at (416) 644-0066.

GENERAL

The contents and the sending of this Circular have been approved by our board of directors.

DATED at Toronto, Ontario, November 8, 2019.

BY ORDER OF THE BOARD

"Lisa Buchan"

Lisa Buchan
Corporate Secretary

SCHEDULE A
STOCK OPTION PLAN

1. THE PLAN

Pure Nickel Inc. (the "Corporation") has established a Stock Option Plan (the "Plan") for *bona fide* Directors, Employees, Consultants, Service Providers and any personal holding company (a "Personal Holding Company") of a Director, Employee, Consultant or Service Provider (collectively, the "Admissible Persons"), to purchase authorized but unissued common shares of the Corporation (the "Common Shares") on the terms and conditions hereinafter set out.

The Board of Directors of the Corporation may appoint a committee to administer the Plan (the "Committee"). In the event such a Committee is not appointed by the Board of Directors, then the Board of Directors shall, for the purposes herein, be deemed to constitute the Committee.

2. PURPOSE

The purpose of the Plan is to encourage the participation of the Admissible Persons in the Corporation's growth and development by providing them, through the grant of options exercisable for Common Shares (the "Options"), with the opportunity to acquire a financial interest in the Corporation, or increase same.

3. DEFINITIONS

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in the TSX Venture Exchange ("**TSXV**") Corporate Finance Manual Policy 1.1 – *Interpretation* and Policy 4.4 – *Incentive Stock Options*.

4. GRANT OF OPTIONS

The Committee may, from time to time, in its discretion, grant to any Admissible Person (the "Optionee"), the irrevocable (subject to the terms hereof) option to acquire Common Shares (the "Optioned Shares") upon and subject to such terms, conditions and limitations as are herein contained and as the Committee may from time to time determine with respect to each Option. Notwithstanding the foregoing, the exercise of any Option granted hereunder is subject to the vesting provisions contained in Section 9 hereof.

Subject to the Plan, the Committee may impose limitations, restrictions and conditions, in addition to those set out in the Plan, that are applicable to the exercise of an Option including, without limitation, the nature and duration of any restrictions applicable to a sale or other disposition of Optioned Shares acquired upon exercise of an Option and the nature of events, if any, that may cause any Optionee's rights in respect of Optioned Shares acquired upon exercise of an Option to be forfeited and the duration of the period of such forfeiture.

The granting of any Option to an Optionee does not confer upon the Optionee any right to continue in the employment of the Corporation or as a member of the Board, as the case may be, nor does it interfere in any way with the rights of the Optionee or of the Corporation's rights to terminate the Optionee's employment or consultancy agreement at any time or of any shareholder's right to nominate or elect one or more Directors of the Corporation.

For options granted to Employees, Consultants, Service Providers (including a Personal Holding Company of an Employee, Consulting or Service Provider), the Corporation shall represent that the Optionee is a *bona fide* Employee, Consultant or Service Provider, as the case may be.

The Committee shall be permitted, through the establishment of appropriate procedures, to monitor the trading of Common Shares by persons who are performing Investor Relations Activities for the Corporation and who have been granted Options pursuant to this Plan.

5. AUTHORIZED SHARES PURSUANT TO THE PLAN

Subject to adjustment as provided in Section 13 hereof, the aggregate number of Optioned Shares to be delivered upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding Common Shares from time to time. If any Option granted hereunder is cancelled, expires or terminates for any reason without having been exercised in full, the unpurchased Optioned Shares subject thereto shall again be available for the purposes of the Plan. Any Common Shares subject to an Option which has been exercised by an Optionee, shall again be available for grants under the Plan.

The allotment of the Common Shares and the Corporation's obligation to issue Common Shares pursuant to the Plan are subject to the following conditions:

(a) Subject to subsections 5(b) and 5(c) hereof, no Optionee may be granted Options to acquire more than 5% of the issued and outstanding Common Shares of the Corporation (calculated as at the time of the grant of such Options) in any 12-month period unless the Corporation has obtained disinterested shareholder approval in connection therewith;

(b) No Consultant Optionee may be granted Options to acquire more than 2% of the issued and outstanding Common Shares of the Corporation (calculated as at the time of the grant of such Options) in any 12-month period;

(c) The aggregate number of Options granted to Optionees conducting Investor Relations Activities shall not exceed 2% of the issued and outstanding Common Shares of the Corporation (calculated as at the time of the grant of such Options) in any 12-month period; and

(d) Unless the Corporation has received Disinterested Shareholder Approval to do so:

(i) the aggregate number of Common Shares reserved for issuance to Insiders under this Plan and any other equity compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant; and

(ii) the aggregate number of Common Shares reserved for issuance to Insiders in any 12-month period under this Plan and any other equity compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant.

6. OPTION PRICE

The purchase price of the Common Shares, upon exercise of each Option granted under the Plan, (the "**Option Price")** shall be a price fixed for such Option by the Committee upon grant of each such Option provided that such Option Price shall not be lower than the Discounted Market Price at the time of grant. In the event that the Corporation proposes to reduce the Option Price of Options granted to an Optionee who is an Insider of the Corporation at the time of the proposed amendment, such amendment shall not be effective until disinterested shareholder approval has been obtain in respect of the Option Price reduction.

The allotment of the Common Shares and the Corporation's obligation to issue Common Shares pursuant to the Plan are subject to the Corporation having obtained the required authorizations from the regulatory authorities pertaining to the allotment of the Options or to the issuance and distribution of the Optioned Shares and the listing of the Optioned Shares on the TSXV. The Corporation undertakes to use its best efforts to obtain all the required approvals to give effect to the Plan.

7. METHOD OF EXERCISE OF OPTION

Each Option or part thereof may be exercised by the Optionee or his heirs or legal personal representative by giving notice in writing in the form annexed hereto as Schedule A hereto addressed to the Corporation at its head office in Toronto, Ontario, and delivered or mailed by registered mail to the Chief Financial Officer of the Corporation. Such notice shall specify the number of Optioned Shares with respect to which the Option is being exercised and shall be accompanied by payment in full, by certified cheque or other form of payment acceptable to the Corporation, of the aggregate Option Price for such number of Optioned Shares so specified therein.

Upon any such exercise of an Option as aforesaid, the Corporation shall forthwith deliver or, as applicable, cause the transfer agent and registrar of the Corporation to deliver to the Optionee, or his legal personal representative or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Common Shares as the Optionee or his heirs or legal personal representative shall have then paid for. Notwithstanding the foregoing, no Option shall be exercisable unless the Corporation shall be satisfied that the issuance of Optioned Shares, upon exercise thereof, will be in compliance with the applicable laws of Canada or any province therein and the rules of the TSXV. Upon receipt of payment in full, the number of Optioned Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.

No fractional Common Shares shall be issued upon the exercise of Options. If an Optionee otherwise becomes entitled to a fractional Common Share upon exercise of an Option, such Optionee shall only have the right to purchase the next lowest whole number of Common Shares and no payment or adjustment shall be made with respect to the fractional interest so disregarded.

The exercise of each Option granted under this Plan is subject to the condition that if at anytime the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that an Optionee pay to the Corporation, in addition to and in the same manner as the Option Price for the Optioned Shares, such amount that the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due no later than the date as of which any amount with respect to the Option exercised first becomes includable in the gross income of the Optionee for tax purposes.

8. TERM

Each Option, unless sooner terminated in accordance with the terms, conditions and limitations thereof, or unless sooner exercised, shall expire at 5:00 p.m. (Toronto time) on the date ("**Expiry Date**") determined by the Board of Directors or by the Committee when the Option is granted or, failing such determination and in any event, not later than that date which is ten (10) years after the grant of the Option.

Subject to the rules, policies or regulations of the TSXV, in the event that the expiry of an Option occurs during a blackout period imposed by management, the Board of Directors or the Committee in accordance with the Corporation's insider trading policy, if any, the expiry date of such Option shall be deemed to be amended to that date which is seven business days following the end of such blackout period.

9. VESTING

The vesting of each Option granted pursuant to the Plan, and the extent to which each Option is exercisable from time to time during the term of such Option, shall be determined by the Committee in its sole discretion. Notwithstanding the discretion of the Committee to determine vesting periods, Options granted to Consultants conducting Investor Relations Activities for the Corporation shall vest over a period of not less than twelve (12) months with no more than twenty-five percent (25%) of the options vesting in any three (3) month period.

10. TERMINATION AS ADMISSIBLE PERSON

Subject to subsections 10(a) and 10(b) hereof and to any express resolution passed by the Committee with respect to an Option but in no event to exceed an extension of one year, an Option and all rights to purchase Common Shares pursuant thereto shall expire and terminate immediately upon the Optionee who holds such Options ceasing to be an Admissible Person, provided that:

(b) If, before the expiry of an Option in accordance with the terms thereof, an Optionee shall cease to be an Admissible Person (an "**Event of Termination**") for any reason other than his or her resignation or termination for Cause of his or her employment with the Corporation, or his or her resignation or failure to be re-elected as a Director of the Corporation, then the Optionee may:

  (i) exercise the Option to the extent that he or she was entitled to do so at the time of such Event of Termination, at any time up to and including, but not after, a date three (3) months following the date of such Event of Termination, or prior to the close of business on the expiration date of the Option, whichever is earlier; and

  (ii) with the prior written consent of the Board of Directors or the Committee, which consent may be withheld in the Corporation's sole discretion, permit the exercise of any Options which have not yet vested at any time up to and including, but not after, a date three (3) months following the date of such Event of Termination, or prior to the close of business on the expiration date of the Option, whichever is earlier, to purchase all or any of the Optioned Shares as the Board of Directors or the Committee may designate but not exceeding the number of Optioned Shares the Optionee would have otherwise been entitled to purchase pursuant to the Option had the Optionee's status as an Admissible Person been maintained for the term of the Option. The Committee in its sole discretion may extend the time permitted to exercise any Options which have not yet vested at any time up to and including, but not after, a date twelve months following the date of such Event of Termination,

(c) if an Optionee dies before the expiry of an Option in accordance with the terms thereof, the Optionee's legal representative(s) may, subject to the terms of the Option and the Plan:

  (i) exercise the Option to the extent that the Optionee was entitled to do so at the date of his or her death at any time up to and including, but not after, a date one year following the date of death of the Optionee, or prior to the close of business on the expiration date of the Option, whichever is earlier; and

  (ii) with the prior written consent of the Board of Directors or the Committee, exercise at any time up to and including, but not after, a date one year following the date of death of the Optionee, a further Option to purchase all or any of the Optioned Shares as the Board of Directors or the Committee may designate but not exceeding the number of Optioned Shares the Optionee would have otherwise been entitled to purchase had the Optionee survived.

For greater certainty, Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a Director of the Corporation provided that the Optionee continues to be an Admissible Person.

For the purposes of this Section 10, "**Cause**" means any act or omission by the Admissible Person which would in law permit an employer to, without notice or payment in lieu of notice, terminate the Admissible Person's employment or services, and shall include without limitation the meaning attributed thereto in the employment agreement or consulting agreement, as may be applicable, of such Admissible Person.

For the purposes of 10(a), the date the Optionee ceases to be an Admissible Person, in the case of termination of employment with the Corporation, shall be the last day upon which the employee provides services to the Corporation at its premises and not the last day of any notice period or upon which the Corporation pays wages or salaries in lieu of notice of termination, statutory, contractual or otherwise.

11. ISSUE OF COMMON SHARES

No Optionee shall have any of the rights or a shareholder with respect to any Optioned Shares until same have been paid for in full and issued to him.

12. TRANSFERABILITY AND ASSIGNMENT

Subject to the provisions of this Section 12, Options are personal to the Optionee. No Optionee may deal with any Option or any interest in it or Transfer any Option now or hereafter held by the Optionee except in accordance with the Plan. A purported Transfer of any Option in violation of the Plan will not be valid and the Corporation will not issue any Optioned Shares upon the attempted exercise of an improperly Transferred Option. No Option shall be Transferable or assignable other than by will or the laws of succession and distribution.

For the purposes of this Section 12, "Transfer" means any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which, directly or indirectly, possession, legal title or beneficial ownership passes from an Optionee to another person, or to the Optionee in a different capacity, whether or not voluntary or by operation of law and whether or not for value, and any agreement to effect any of the foregoing; and the words "Transferred", "Transferring", "Transferrable" and similar words have corresponding meanings.

13. ALTERATION OF NUMBER OF SHARES SUBJECT TO THE PLAN

The number of Common Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of Common Shares of the Corporation, and in any such event a corresponding adjustment shall be made changing the number of shares deliverable upon the exercise of any Option theretofore granted without change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Optioned Share. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under the Plan and to prevent their dilution or enlargement.

14. TERMINATION

Notwithstanding any vesting schedule determined in accordance with Section 9 hereto or any other provision of this Plan, in the event that the Corporation or its shareholders receive and accept an offer to acquire all of the shares or substantially all of the assets of the Corporation, whether effected through an acquisition for cash or securities, and whether structured as a purchase, amalgamation, merger, arrangement, reorganization or other business combination (in each case, a "Sale Transaction"), the Committee may, in its sole discretion, deal with the Options issued under the Plan in the manner it deems fair and reasonable in light of the circumstances of the Sale Transaction provided all Optionees to whom Options have been granted under the Plan and remain outstanding are treated similarly. In this regard, in the event of a proposed Sale Transaction, the Committee may, in its sole discretion, by written notice (the "Notice") to any Optionee, accelerate the vesting of some or all the Options such that such Options become immediately fully vested. In such circumstances, the Committee may by written notice compel the Optionee to exercise his Options within 30 days of the date of such written notice to exercise, failing which the Optionee's right to purchase Optioned Shares under such Options lapses. In addition, and without limiting the generality of the foregoing, in connection with a Sale Transaction, the Committee may, without any action or consent required on the part of any such Optionee, (i) deem any or all Options (vested or unvested) under the Plan to have been exercised and the Optioned Shares to have been tendered to the Sale Transaction, (ii)) apply a portion of the Optionee's proceeds from the closing of the Sale Transaction to the Option Price payable by that Optionee for the exercise of his or her Options, (iii) cancel the Options and pay to an Optionee the amount that the Optionee would have received, after deducting the Option Price of the Options, had the Options been exercised, (iv) exchange Options, or any portion of them, for options to purchase shares in the capital of the acquiror or any corporation which results from an amalgamation, merger or similar transaction involving the Corporation made in connection with the Sale Transaction, or (v) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

If the proposed Sale Transaction is not completed within 180 days after the date of Notice, any affected Optionee, within a period of 10 days following the 180-day period, may elect to cancel an exercise pursuant to the Notice. In respect of any Optionee who makes this election, the Corporation will return to the Optionee all rights under such Optionee's Options as if no exercise had been effected, subject to the appropriate adjustment of accounts to the position that would have existed had there been no exercise of Options.

The Committee may at any time terminate the Plan with respect to Common Shares not being, at that time, Optioned Shares, and the Committee may at any time amend any provision of the Plan subject to obtaining the necessary approval of the TSXV and any other applicable regulatory authorities, provided that any such amendment shall not adversely affect or impair any Option previously granted to an Optionee under the Plan, without its consent.

15. ADMINISTRATION AND AMENDMENT

Within the limitations set forth in the Plan, the Committee is authorized to provide for the grant, vesting, exercise and method of exercise of Options, on such terms (which may vary as between Options) as it shall determine. All decisions and interpretations made by the Committee shall be binding and conclusive on the Corporation and all Admissible Persons who participate in the Plan. With respect to the Plan and to its administration, time shall be of the essence.

With the consent of the affected Optionee, the Committee may amend or modify any outstanding Option in any manner to the extent that the Committee would have had the initial authority to grant the Option as so modified or amended, including without limitation, to change the date or the price at which an Option becomes exercisable, subject to any required prior approval of any applicable regulatory authority.

Subject to any applicable rules and approvals required by the TSXV, the Committee may from time to time, in its absolute discretion and without the approval of shareholders, make the following amendments to:

(i) amend the vesting provisions of the Plan;

(ii) amend the Plan or the terms of an Option as necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body having authority over the Corporation, the Plan or the shareholders of the Corporation;

(iii) make any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan.

16. WITHHOLDINGS, ETC.

For certainty and notwithstanding any other provision of the Plan, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise or disposition of Options by an Optionee, then the Optionee shall, concurrently with the exercise or disposition:

(i) pay to the Corporation, in addition to the exercise price for the Options, if applicable, sufficient cash as is determined by the Corporation to be the amount necessary to fund the required tax remittance;

(ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines such portion of the Optioned Shares being issued upon exercise of the Options as is required to realize cash proceeds in the amount necessary to fund the required tax remittance; or

(iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

17. GENERAL

This Plan is to be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

This Plan is effective as of December 11, 2019.

SCHEDULE B
AUDIT COMMITTEE CHARTER

INTRODUCTION AND PURPOSE

The Board of Directors (the "Board") of Pure Nickel Inc. (the "Corporation") has delegated the responsibilities, authorities and duties described below to the audit committee (the "Committee"). For the purpose of this charter, the term "Corporation" includes the Corporation and its subsidiaries.

The overall purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities in the following principal areas: (1) accounting policies and practices, (2) the financial reporting process, (3) financial statements provided by the Corporation to the public, (4) risk management including systems of accounting and financial controls, (5) appointing, overseeing and evaluating the work and independence of the external auditors, and (6) compliance with applicable legal and regulatory requirements. In addition to the responsibilities specifically enumerated in this charter, the Board may refer to the Committee such matters and questions relating to the financial position and operations of the Corporation as the Board may from time to time see fit.

COMPOSITION AND MEMBERSHIP

The Committee shall consist of at least three directors appointed annually by the Board and selected based upon the following, in accordance with applicable laws, rules and regulations:

Independence

Each member shall be independent in accordance with applicable legal and regulatory requirements and in such regard shall have no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

Financially Literate

Each member shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. For these purposes, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

MEETINGS

The Committee shall meet at least four times annually, in person or by telephone and more frequently as circumstances dictate. The Audit Committee Chair shall prepare or approve an agenda in advance of each meeting.

RESPONSIBILITIES AND DUTIES

The Corporation's management is responsible for preparing the Corporation's financial statements while the external auditors are responsible for auditing those financial statements. The Committee is responsible for overseeing the conduct of those activities by the Corporation's management and external auditors, and overseeing the activities of any internal audit initiatives. The Corporation's external auditors are accountable to the Committee as representatives of the Corporation's shareholders.

It is recognized that members of the Committee are not full-time employees of the Corporation and do not represent themselves to be accountants or auditors by profession or experts in the fields of accounting or auditing or the preparation of financial statements. It is not the duty or responsibility of the Committee or its members to conduct auditing or accounting reviews or procedures. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Corporation from whom it receives information, and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary.

The specific responsibilities of the Committee are as follows:

- *Make regular reports to the Board of the Corporation.*
- *Appoint the independent auditors to be engaged by the Corporation, establish the audit fees of the independent auditors, pre-approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered.*
- *Review the scope of the independent auditor's audit examination, including their engagement letter, prior to the annual audit of the Corporation's financial statements.*

- *Instruct the independent auditors to report directly to the Committee any serious difficulties or disputes with management, and ensure they are appropriately resolved.*
- *Review and evaluate the performance of the independent auditors and review with the Board all proposed discharges of the independent auditors.*
- *Review each annual audit with the independent auditor at the conclusion of the audit. The review shall include all comments or recommendations of the independent auditor, all audit problems or difficulties and management's response.*
- *Review and discuss with management the procedures undertaken in connection with the required certifications for regulatory filings and other reports including their evaluation of the Corporation's disclosure controls and procedures and internal controls, as well as any and all fraud, whether or not material, that involves management or others who have a significant role in the Corporation's internal controls.*
- *Review management's assessment of the effectiveness of the Corporation's internal controls over financial reporting and disclosure, and the independent auditor's related attestation. Consider with management and the independent auditors whether any changes to such internal controls are appropriate.*
- *Review with management the Corporation's quarterly and annual financial results prior to regulatory filings and the issuance of related press releases.*
- *Be authorized to hire outside counsel or other consultants as necessary.*
- *Perform such other duties as are assigned by the Board.*
- *Review the Committee's charter annually and recommend all proposed changes to the Board.*
- *Periodically evaluate and take steps to improve the effectiveness of the Committee in meeting its responsibilities under this Charter.*

DELEGATION TO SUBCOMMITTEES

The Committee may, in its discretion, form and delegate authority to subcommittees when appropriate.

PERFORMANCE EVALUATION

The Committee shall, from time to time, conduct an evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also include a review of the adequacy of this charter and shall recommend to the Board any revisions to this charter deemed necessary or desirable, although the Board shall have the sole authority to amend this charter. The performance evaluation shall be conducted in such a manner as the Committee deems appropriate.

PUBLIC DISCLOSURE

This charter shall be included on the Corporation's website and the charter and/or a reference thereto may be included in the Corporation's public continuous disclosure record as may be required by applicable securities laws or as deemed advisable by management of the Corporation.

April 3, 2008

SCHEDULE C

INFORMATION CONCERNING EXPLOR RESOURCES INC.

The following information is provided by Explor and is presented on a pre-Amalgamation basis and is reflective of the current business, financial and share capital position of Explor. See Schedule "F" - "Information Concerning the Combined Company for pro forma business, financial and share capital information relating to the Combined Company.

CORPORATE STRUCTURE

Name, Address and Incorporation

Explor Resources Inc. was incorporated under the *Business Corporations Act* (Manitoba) on July 31, 1986 as Rede-Pak Foods (1986) Ltd. It changed its name to Rede-Pak Fine Foods Ltd. on February 26, 1987. Rede-Pak Fine Foods Ltd. was extra-provincially registered in Alberta on January 29, 1988 and was continued in Alberta on April 4, 1990 under the name of Petro Plus Inc. under the provisions of the *Business Corporations Act* (Alberta). Petro Plus Inc. was extra-provincially registered in the Province of Saskatchewan on June 18, 1996 and changed its name to Northern Star Resources Inc. on January 12, 1999. Northern Star Resources Inc. changed its name to Odaat Inc. on March 9, 2000. Odaat Inc changed its name to Explor Resources Inc. on January 28, 2004. In 2006, Explor moved its main office to the province of Quebec. It became extra-provincially registered in Quebec in October 23, 2006 and added a French version of its name with the Enterprise Registrar of Quebec: "**Ressources Explor Inc.**"

Explor's head office is located at 15, Gamble East, Suite 204, Rouyn-Noranda, Province of Quebec, J9X 3B6. Explor's registered office is at 203, 221 10th Avenue SE, Calgary, Alberta, T2G 0V9. ESX has no subsidiaries.

Corporate Registrations

Explor is an Alberta corporation which is extra-provincially registered in Saskatchewan and Quebec.

Canadian Reporting Issuer History

Explor is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario and Quebec.

Rede-Pak Fine Foods Ltd. became a reporting issuer in Manitoba and Alberta on May 24, 1988 when it received a receipt in each province for the filing of a prospectus dated May 20, 1988 for an industrial offering. By discretionary order in 1995, the Manitoba Securities Commission granted an order which allowed Rede-Pak Fine Foods Ltd. to no longer be subject to the continuous reporting requirements in Manitoba. Petro Plus Inc. became a reporting issuer in Saskatchewan in February 1996 and in British Columbia in November 1997. Explor became a reporting issuer in Quebec in December 2003 and in Ontario in February 2012.

Capital Structure and Changes to Capital

The authorized capital consists of an unlimited number of common shares and an unlimited number of participating non-voting shares or preference shares. See "**DESCRIPTION OF SHARE CAPITAL**" for a discussion of the rights attributable to each class of shares. As at November 6, 2019, Explor had 200,397,224 Common Shares issued and outstanding and no preference shares were issued and outstanding.

There have been changes to the capital structure of Explor since incorporation. Rede-Pak Fine Foods Ltd issued Class "A" voting common shares. On January 11, 1999, the Class "A" shares of Petro Plus Inc. were consolidated on a 5 old for 1 new basis. On March 9, 2000, the Class "A" shares of Northern Star Resources Inc. were consolidated on a 5 old for 1 new basis. By certificate of Amendment and registration of restated Articles dated January 28, 2004, the Explor consolidated its voting shares on a 4 old for 1 new basis and designated its Class "A" shares as "common shares". At the annual and special meeting of shareholders of Explor held on October 22, 2013, the shareholders of Explor approved a special resolution to consolidate the common shares of Explor on the basis of one (1) new Common Share for five (5) existing common shares. The consolidation was effected on November 8, 2013. The Common Shares commenced trading on a post consolidated basis on November 14, 2013.

Stock Exchange Listings

(a) Toronto Venture Stock Exchange ("TSXV")

The Class "A" voting common shares of Rede-Pak Fine Foods Ltd. were listed and posted for trading on the Alberta Stock Exchange on October 11, 1988 under the symbol RPK.A. When the name of the Explor was changed to Petro Plus Inc., the Class "A" voting common shares traded on the Alberta Stock Exchange under the symbol PPV.A. When the name of Petro Plus Inc. was changed to Northern Star Resources Inc., the Class "A" voting common shares of Northern Star Resources Inc. were listed and posted for trading on the Alberta Stock Exchange under the symbol NRN.A. When the name of Northern Star Resources Inc. was changed to ODAAT Inc., the Class "A" voting shares of ODAAT Inc. were listed and posted for trading on Canadian Venture Exchange (now known as the TSX Venture Exchange) under the symbol ODT.A. When the name of ODAAT Inc. was changed to Explor Resources Inc., the Common Shares were listed and posted for trading on TSXV under the symbol EXS.

(b) Frankfurt Stock Exchange and Berlin Stock Exchange

Explor began trading on the Frankfurt and Berlin Exchanges in 2011 under the symbol E1H but is now trading under the symbol E1H1.

(c) US Electronic Quotation – OTC Pink Sheets

Explor is a "**foreign private issuer**" under Rule 3b-4 of Securities Exchange Act of 1934 because 50% of less of Explor's outstanding Common Shares are not held by US residents. Explor reports information required under Rule 12g3-2(b)(3). Explor started trading on the OTCQX International on May 23, 2012 under the symbol EXSFF but is now only trading under the OTC Pink Sheets.

DESCRIPTION OF THE BUSINESS

General

Explor is engaged in the business of exploration and development of mineral properties. Explor has acquired a diversified portfolio of properties located in the Provinces of Ontario, Quebec and New Brunswick and is focused on advancing the TPW Property located in mining division of Porcupine in Ontario. Explor does not currently operate any mine and does not have any direct or indirect interest in any mine that is currently in production.

For the purposes of National Instrument 43-101, Explor's two material properties are the TPW Property and the Chester Property, a metal-based project located in the Bathurst mining camp in New Brunswick. Puma Exploration currently has an option to acquire the Chester Property. Explor also holds earlier-stage exploration projects located in the Abitibi region of Quebec and in the mining division of Porcupine and Larder Lake in Ontario.

Three Year History and Significant Recent Events (other than Financings and Acquisitions)

In 2013, the 43-101 report on the TPW Property showed resources. See "Information Concerning TPW Property". In December 2014, Explor entered into an option earn-in agreement with Teck Resources Limited ("**Teck**") whereby Teck could acquire a 55% interest in the TPW Property by completing exploration work expenditures totaling $8,000,000 by May 1, 2019 and a second option to earn an additional 15% by spending $4,000,000 by May 1, 2022. Teck spent over $2,130,000 by the end of 2016.

Year Ended April 30, 2017

Teck terminated the option agreement in May 2017 without earning any interest in the TPW Property. Explor then spent two years looking for substantial financings.

During the year ended April 30, 2016, Explor was subject to an audit by Canada Revenue Agency (CRA) in relation with the legal requirements and the eligibility of CEE. During the year ended April 30, 2017, the CRA issued notices of assessment to Explor for an amount of approximately $1,316,000, which Explor had to repay in monthly installments of $50,000 pursuant to an agreement with the CRA. Thereafter, Explor stopped making payments and made representation in December 2017 in order to file a notice of objection with the CRA. As at April 30, 2019, the balance payable to CRA is approximately $830,000 ($622,400 as at April 30, 2018). This balance includes Part XII.6 taxes related to the 2017 flow-through shares agreements that were not met as at December 31, 2018.

Year Ended April 30, 2018

In March 2018, a claim for damages was filed with the Superior Court of Quebec against Explor and the officers and directors for an amount of approximately $631,000. The claim is related to non-compliance with flow- through share agreements signed in the past. Defenses include: (a) no right to assign tax claims; (b) the investors has mitigated its losses by donating their shares; and (c) others. Explor estimates that it has a good defense. The action is at an early stage and no determination of probability of loss can be established at this stage of claim. The direction is not yet determined with respect to the disengagement of this case or when the case will be resolved.

Year Ended April 30, 2019

In February 2019, Explor announced that it had entered into an option agreement with Puma Exploration Inc. ("**Puma**") for the sale of the Chester property. Explor has granted to Puma the sole and exclusive right and option, over a three-year period, to acquire the Chester Property for the following considerations: (a) payment to Explor of an aggregate of $300,000, representing $100,000 per year; and (b) Puma shall complete a work program of $1,100,000 on the property, with a minimum of $250,000 during the first year of the option agreement, $350,000 the second year and $500,000 on the third year. Upon the completion of these conditions over a period of three years, Puma will have acquired a 100% interest in the Chester Property. Explor will also retain a 2% NSR royalty on the property. Puma will assume the remaining NSR royalties on the Chester Property in favor of previous owners**.**

Post April 30, 2019

On August 22, 2019, Explor announced it had signed an Amalgamation Agreement with Pure Nickel to merge the companies. In connection with the Transaction, Pure Nickel will issue approximately 95,198,612 Pure Nickel Shares in exchange for all of the issued and outstanding Explor Shares. As a result, upon completion of the Transaction, the combined company will have approximately 177,891,951 shares outstanding. Upon completion of the transaction and prior to any conversion of the 2176423 Debenture, current Explor shareholders will have voting control of the merged entity. If 2176423 Ontario Ltd. converts the entire 2176423 Debenture, Sprott, directly or indirectly, will have a 30% interest in the new company and Pure Nickel shareholders and Explor shareholders will have a 30% and a 40% interest respectively.

Under the terms of the Amalgamation Agreement, Pure Nickel agreed to subscribe for 10,000,000 units of EXS at a price of $0.05 per unit representing a total amount of $500,000. Each unit is comprised of one EXS Share and one-half of one EXS Share purchase warrant. Each whole EXS Share purchase warrant will be exercisable into one EXS Share at a price of $0.10 per share for a period of 24 months. EXS intends to use the funds from the private placement to complete the Transaction and for general corporate purposes. On September 24, 2019, Pure Nickel announced it had fulfilled its obligation, pursuant to the Amalgamation Agreement to subscribe for 10,000,000 units of EXS at a price of $0.05 per unit representing a total amount of $500,000.

Three-Year History - Financings

Year ended April 30, 2017

In May 2016, Explor completed a non-brokered private placement in unsecured convertible debentures for a total amount of $800,000. The debentures bear interest at an annual rate of 8% and expired one year from the closing of the placement. Each holder of debentures was entitled to convert the principal amount of the debentures in Explor Shares, at a price of $0.15 per share. Therefore, Explor reserved an aggregate number of 5,333,333 Explor Shares in the event of the conversion of the full principal amount of the debentures. The debentures were fully converted into 5,333,333 Explor Shares. In connection with this placement, a total of 426,667 non-transferrable agents compensation options were issued at an exercise price of $0.15, which have now expired unexercised.

In July 2016, Explor completed a non-brokered private placement of $1,200,000 in unsecured convertible debentures. The placement consisted of an amount of 1,200 units at a price of $1,000 per unit, each unit consisting of a capital amount of $1,000 of unsecured convertible debentures and of 3,333 Explor Share purchase warrants. The debentures bear interest at an annual rate of 7% and expired on July 5, 2018. Each holder of debentures was entitled to convert the principal amount of the debentures into Explor Shares, at a price of $0.15 per share. Each warrant included in a unit allowed the subscriber to purchase one Explor Share at an exercise price of $0.20 for a period of two years ending July 5, 2018. Therefore, Explor reserved an aggregate number of 8,000,000 Explor Shares in the event of the conversion of the full principal amount of the debentures and an aggregate number of 4,000,000 Explor Shares in the event of the exercise of all the warrants. In connection with the placement, a total of 280,000 non-transferrable warrants were issued to finders dealing at arm's length with Explor. Each warrant was exercisable at $0.15 per Explor

Share for two (2) years. The warrants and finder's warrants have now expired unexercised. The debentures were not converted and were later renewed at new conditions.

In November 2016 and December 2016, Explor completed three tranches of a non-brokered private placement in flow-through Explor Shares at a price of $0.085 each, for total gross proceeds of $1,557,240. Explor issued a total of 18,320,470 flow through Explor Shares and paid to finder's fees representing a cash amount equal to 8% of the subscribed amount and issued a total of 1,333,636 non-transferrable finder's warrants that were exercisable at a price of $0.085 per Explor Share, for a period of 24 months from the closing date. These finder's warrants expired unexercised.

In November and December 2016, Explor completed two tranches of a non-brokered private placement in Explor Shares and/or flow-through Explor Shares at a price of $0.085 each, for total gross proceeds of $505,000. Explor issued a total of 3,917,647 flow-through Explor Shares, 2,023,529 Explor Shares and 1,011,765 warrants that could be exercised at a price of $0.15. These warrants have expired unexercised.

In December 2016, Explor completed a non-brokered private placement of a total gross proceeds of $600,000. Explor issued 7,058,824 flow-through Explor Shares at a price of $0.085 and paid pay a finder's fees representing a cash amount equal to 8% of the subscribed amount through the finder and issued 564,706 non-transferrable finder's warrants exercisable at an exercise price of $0.085 for a period of 24 months. The warrants have now expired unexercised.

In March 2017, Explor completed a non-brokered private placement of total gross proceeds of $449.990. Explor issued 5,294,000 flow-through Explor Shares at a price of $0.085 and paid a finder's fees representing a cash amount equal to 8% of the subscribed amount through the finder, and issued 423,520 non-transferrable finder's warrants exercisable at a price of $0.085 per Explor Share, for a period of 24 months. The warrants have now expired unexercised.

In April 2017, Explor closed two tranches of non-brokered private placement for a gross total of $805,000 in unsecured convertible debentures. The debentures bear interest at an annual rate of 8% and expired two years from each closing of the placement. Each holder of debentures was entitled to convert the principal amount of the debentures into Explor Shares, at a price of $0.075 per share, for the first year and at a price of $0.10 for the second year. Explor issued a total of 5,366,935 warrants that could be exercised at a price of $0.12 for a period of two years from the date of each closing of the placement. In connection with the placement, a total of 858,666 non-transferrable warrants were issued to finders dealing at arm's length with Explor. Each warrant was exercisable at $0.075 per Explor Share for a period of two (2) years from the closing date of the placement. The warrants and finder's warrants expired unexercised. An amount of $37,500 was converted into 500,000 Explor Shares. The debentures that were not converted were later renewed at new conditions.

Year ended April 30, 2018

In August and September 2017, Explor completed three tranches of a non-brokered private placement in Explor Shares and flow through Explor Shares at a price of $0.085 per share for total gross proceeds of $349,600. Explor issued a total of 3,701,647 flow-through Explor Shares, of 411,294 Explor Shares and of 2,056,471 warrants that could be exercised at a price of $0.15 for a period of two years. These warrants have now expired unexercised.

In November 2017, Explor completed a non-brokered private placement in common shares for total gross proceeds of $200,000. Explor issued a total of 2,857,143 Explor Shares at a price of $0.07 and issued 1,428,571 warrants that could be exercised at a price of $0.12 for a period of two years. These warrants have not expired unexercised.

In November 2017, Explor completed a non-brokered private placement in flow-through shares at a price of $0.07 each, for total gross proceeds of $874,405. Explor issued 12,491,500 flow-through Explor Shares at a price of $0.07 and 6,245,750 warrants that could be exercised at a price of $0.12 for a period of 24 months. These warrants have now expired unexercised.

In December 2017, Explor completed two tranches of a private placement in common and flow-through Explor Shares for total gross proceeds of $352,000. Explor issued 4,525,714 flow-through Explor Shares, 502,858 Explor Shares at a price of $0.07 each and 2,514,286 warrants that can be exercised for a period of 24 months at a price of $0.10.

In December 2017, Explor completed a non-brokered private placement of 8,333,333 flow-through Explor Shares at a price of $0.06 each, for total gross proceeds of $500,000. In connection with the Private Placement, Explor paid finder's fees of $40,000 and issued 666,666 non-transferable finder's warrants that can be exercised at a price of $0.06 for a period of 24 months.

In February and March 2018, Explor completed two tranches of a non-brokered private placement in Explor Shares and flow-through Explor Shares for total gross proceeds of $210,000. Explor issued 1,671,428 flow-through Explor Shares, 1,328,572 Explor Shares, both at a price of $0.07 per shares and issued 1,500,000 warrants that can be exercised at a price of $0.10 for a period of 24 months.

Year Ended April 30, 2019

In November 2018, Explor renewed at new conditions the $1,200,000 convertible debentures issued on July 5, 2016 that expired on July 5, 2018. Explor also issued a new convertible debenture for an amount of $100,000. The placement now consists of an amount of 1,300 units at a price of $1,000 per unit, each unit consisting of a capital amount of $1,000 of convertible debentures and of 10,000 Explor Share purchase warrants. The one-year term debentures bear interest at an annual rate of 8% and will be secured by a security on Explor's TPW Property. Each holder of debentures will be entitled to convert the principal amount of the debentures in Explor Shares, at a price of $0.05 per share. Each warrant included in a unit will allow the subscriber to purchase one Explor Shares at an exercise price of $0.10 for a period of one year ending November 28, 2019. Therefore, Explor has reserved an aggregate number of 26,000,000 Explor Shares in the event of the conversion of the full principal amount of the debentures and an aggregate number of 13,000,000 Explor Shares in the event of the exercise of all the warrants.

Post April 30, 2019

In July 2019, Explor renewed at new conditions the $767,500 convertible debentures issued on April 3 and April 10, 2017 that expired on April 3 and April 10, 2019. The interests due and not paid have been included in the principal amount and Explor also issued a new convertible debenture for an amount of $50,000. The placement now consists of an amount of 945,212 units at a price of $1.00 per unit, each unit consisting of a capital amount of $1.00 of convertible debentures and of 10 Explor Share purchase warrants. The one-year term debentures bear interest at an annual rate of 8% and will be secured by a security on Explor's TPW Property. Each holder of debentures are entitled to convert the principal amount of the debentures in Explor Shares, at a price of $0.05 per share. Each warrant included in a unit allows the subscriber to purchase one Explor Share at an exercise price of $0.10 for a period of one year ending July 3, 2020. Therefore, Explor has reserved an aggregate number of 18,904,240 Explor Shares in the event of the conversion of the full principal amount of the debentures and an aggregate number of 9,452,120 Explor Shares in the event of the exercise of all the warrants.

In September 2019, Explor completed a private placement in common shares for total gross proceeds of $500,000 to Pure Nickel. Explor issued 10,000,000 Explor Shares at a price of $0.05 and 5,000,000 warrants that can be exercised at a price of $0.10 for a period of two years. This private placement is in connection with the transaction with Pure Nickel which was previously announced (See Press Release dated August 22, 2019).

In October 2019, Explor amended the terms of the secured convertible debentures in the principal aggregate amount of $1,300,000 (the "**Convertible Debentures**") that mature on November 28, 2019. The Convertible Debentures, issued on November 28, 2018, bear interest at an annual rate of 8%, are secured by Explor's Timmins Porcupine West Property and have a maturity date of November 28, 2019. The Convertible Debentures are convertible into Explor Shares at a conversion price of $0.05 per Share. Explor has extended the maturity date of the Convertible Debentures for one year until November 28, 2020. Following the amalgamation the conversion price will be amended from $0.05 to $0.10 based on the exchange ratio provided by the amalgamation agreement. If the amalgamation does not occur, the conversion price will be amended from $0.05 to $0.10.

Explor has also extended the expiry date of the 13,000,000 warrants that were issued in connection with the Convertible Debentures for one additional year. All other terms of the warrants remain unchanged. The warrants will now expire on November 28, 2020 and their exercise price of $0.10 (before giving effect to the amalgamation) remains the same. None of these warrants have been exercised.

Three Year History - Acquisitions

Year ended April 30, 2017

On May 26, 2016, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 1 claim (2 units) located in the Ogden Township, in Porcupine mining division, in Ontario, forming part of the Ogden Property. To acquire this interest, Explor paid $6,000 and issued 60,000 Explor Shares.

On June 1, 2016, Explor signed a sale agreement for the acquisition of 100% interest in one patented claim (4 units) claims located in the Carnegie Township, in the mining division of Porcupine, in Ontario, forming part of the Kidd Township Property. To acquire this interest, Explor paid $6,000 and issued 200,000 Explor Shares.

On July 25, 2016, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 4 claims (24 units) located in the Ogden Township, in Porcupine mining division in Ontario, forming part of the Ogden Property. To acquire this interest, Explor paid $3,000 and issued 300,000 Explor Shares.

On July 27, 2016, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 63 claims located in the Destor and Duparquet townships in the Rapide Danseur and Rouyn-Noranda municipalities, in the Province of Quebec, forming part of the East Bay property. To acquire this interest, Explor issued 75,000 Explor Shares.

On September 2, 2016, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 100 claims located in the Duparquet, Destor, Dufresnoy and Hébécourt Townships in the Rouyn-Noranda mining camp, in the province of Quebec, forming part of the East Bay property. To acquire this interest, Explor paid $16,000 and issued 200,000 Explor Shares.

In November 2016, Explor issued 1,000,000 Explor Shares and paid $5,000 for the final payment for an option agreement signed in November 2015 to acquire a 100% interest in two patented claims situated in the Wark Township, forming part of the Kidd Township Property.

On December 31, 2016, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 2 claims (3 units) located in the Ogden Township, in the Porcupine mining division, in Ontario, forming part of the Ogden Property. To acquire this interest, Explor paid $1,000 and issued 100,000 Explor Shares.

On February 27, 2017, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 6 claims (16 units) located in the Ogden Township, in the Porcupine mining division, in Ontario, forming part of the Ogden property. To acquire this interest, Explor paid $10,000 and issued 500,000 Explor Shares.

Year Ended April 30, 2018

On May 23, 2017, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 4 claims (37 units) located in the Marriott and Holloway Townships, in the Larder Lake mining division, in Ontario, forming part of the PG 101 property. To acquire this interest, Explor paid $7,000 and issued 300,000 Explor Shares.

On June 5, 2017, Explor signed an option agreement granting Explor the right to acquire a 100% interest in one claim (8 units) located in the Wark Township, in the Porcupine Mining division, in Ontario, forming part of the Kidd Township property. To acquire this interest, Explor paid $2,000 and issued 400,000 Explor Shares.

On August 1st, 2017, Explor signed a sale agreement granting Explor the right to acquire a 100% interest in 13 claims located in the Duparquet, Hébécourt and Destor Townships, in the Rouyn-Noranda Mining Camp, in the province of Quebec. To acquire this interest, Explor paid $12,000.

On November 22, 2017, Explor signed an amendment to a purchase and sale agreement granting Explor the right to acquire a 100% interest in 7 patented mining claims located in the Ogden Township, in the Porcupine mining division, in Ontario, forming part of the Ogden property. To acquire this interest, Explor paid 45,000,000 and issued 2,000,000 Explor Shares.

On December 13, 2017, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 2 mining claims (3 units) located in the Ogden Township, in the Porcupine mining division, in Ontario, forming part of the Ogden property. To acquire this interest, Explor paid $2,000 and issued 100,000 Explor Shares.

On March 20, 2018, Explor signed an option agreement granting Explor the right to acquire a 100 % interest in 8 mining claims (64 units) in the Hoyle Township, in the Porcupine mining division, in Ontario. To acquire this interest, Explor paid $1,000 and issued 3,000,000 Explor Shares.

On April 6, 2018, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 9 mining claims located in the Hébécourt Township, in the Rouyn-Noranda mining camp, province of Québec. To acquire this interest, Explor paid $5,000 and issued 400,000 Explor Shares.

On April 18, 2018, Explor signed an option agreement granting Explor the right to acquire a 100% interest in 4 mining claims located in the Hébécourt Township, in the Rouyn-Noranda mining camp, province of Québec. To acquire this interest, Explor paid $2,000 and issued 100,000 Explor Shares.

Year Ended April 30, 2019

Explor did not acquire any property during the year ended April 30, 2019.

Acquisitions Post April 30, 2019

Explor did not acquire any property since the end of the year ended April 30, 2019.

MINERAL PROPERTIES

DESCRIPTION OF THE TPW PROPERTY (Timmins, Ontario, Canada)

Most of the information below on the TPW Property was taken from a technical report dated July 1, 2013, entitled "*Technical Report and Resource Estimate on the Timmins Porcupine West Property, Bristol and Ogden Townships, Porcupine Mining Division, Ontario*" (the "**2013 TPW Technical Report**") prepared for Explor in accordance with National Instrument 43-101 ("**NI 43-101**"). The 2013 TPW Technical Report was written by Eugene Puritch, P. Eng., Richard Sutcliffe, P.Geo., Tracy Armstrong, P. Geo. and Antoine Yassa, P. Geo. of P&E Mining Consultants Inc. ("**P&E**") of Brampton, Ontario (collectively called the "**Authors**"). The Authors are Qualified Persons who are independent from Explor within the meaning of NI-43-101. The 2013 TPW Technical Report was filed on SEDAR on August 29, 2013 and can be found at www.sedar.com.

Property Description, Location and Access

The eastern boundary of the Timmins Porcupine West Property, referred to herein as the "**Timmins Porcupine West Property**", the "**TPW Property**" is located 13 km west of the city of Timmins, northern Ontario, within the townships of Bristol and Ogden in the Porcupine mining division, district of Cochrane.

The climate is typical of northern Canada with extreme seasonal variations, leading to cold winters and warm summers. Exploration and mining can be carried out on the TPW Property year-round. The physiography is relatively flat with an average elevation of approximately 290 m above sea level. In general, the Timmins area is within the Clay Belt of the Canadian Shield and consists of local areas of higher ground with rock outcrops or glacial deposits such as eskers, within large areas of spruce, alder and cedar swamp. The topography of the TPW Property is an undulating, low relief, lacustrine plain with few bedrock outcrops. The area is characterized by poor drainage towards the Mattagami River on the east side of the TPW Property. The TPW Property benefits from excellent access and close proximity to the City of Timmins. Mining, along with milling and smelting are the major components of the local economy. A full range of equipment, supplies and services required for mining development is available in Timmins. The Timmins area also possesses a skilled mining work force from which personnel can be sourced for new mine developments. The TPW Property is serviced by paved highway, secondary access roads and a major power line. Abundant water resources are present in the lakes, rivers, creeks, and beaver ponds throughout the area. There is sufficient space on the TPW Property to build mining infrastructure.

Nature and Extent of Explor Title to the TPW Property

Minerals and mining claims providing right to the minerals in Ontario are either unpatented or patented. If they are unpatented, the Crown in Right of the Province of Ontario owns the minerals and licenses the rights to companies like Explor. The rights are called "**Mining Claims**" as defined by the Mining Act (Ontario) RSO 1990 c.M-14 ("Ontario Mining Act"). If the mineral rights are patented ("**Patented Claims**"), individuals/companies have free title to such minerals and can dispose of such rights. Exploration companies must apply to the Province of Alberta for permits to permit the exploration of the Mining Claims and Patented Claims.

In 2018, the way Mining Claims are identified changed by legislation. Prior to 2018, the TPW Property comprised 122 Mining Claims and 3 Patented Claims, all of which are contiguous and cover a total area of 3,330 ha. Post 2018, the TPW Property comprises of 264 Mining Claims and 3 Patented Claims. All Mining Claims and Patented Claims are 100% held by Explor.

Because the TPW Property was acquired before 2018, all of the acquisition agreements reference the pre-2018 numbering systems. The permit in place PR-13-10024 referenced the pre-2018 numbering system. The 2013 Technical Report referenced the pre-2018 numbering system. **Because the pre-2018 claim legal/geographic descriptions do not match the post-2018 legal/geographic descriptions, Explor has reported the obligations that need to be met to retain the Mineral Claims and Patented Claims, property tenure rights, royalties, overrides, back-in-rights using the pre-2018 numbering systems.**

In July 2009, Explor signed an option agreement with 1644358 Ontario Ltd., granting Explor the right to acquire a 100% interest in 106 Mining Claims located in the Bristol and Ogden Townships. To acquire this interest, Explor paid $110,000 and issued 5,000,000 Explor Shares over a two- year period. These Mining Claims are subject to a 3% NSR royalty in favor of a former owner.

In April 2010, Explor signed an option agreement with 1571925 Ontario Ltd. and two individuals, granting Explor the right to acquire a 100% interest in one Mining Claim (4 units) located in the Ogden Township. To acquire this interest, Explor paid $5,000 and issued 50,000 Explor Shares. The vendors have retained a 2% NSR royalty on this Mining Claim and Explor has the right to buy back at any time half of this royalty for the amount of $1,000,000.

In September, 2010, Explor signed an option agreement with one individual, granting Explor the right to acquire a 100% interest in 13 Mining Claims (75 units) located in the Bristol and Ogden Townships. To acquire this interest, Explor paid $100,000 and issued 2,000,000 Explor Shares. There is an existing 2% NSR royalty on these Mining Claims in favor of a former owner.

In March 2011, Explor signed an option agreement with Monte Cristo Resources Company, 2090720 Ontario Inc. and 2229667 Ontario Inc., granting Explor the right to acquire a 100% interest in 3 Patented Claims located in the Ogden Township. To acquire these Patented Claims, Explor paid $20,000 and issued 200,000 Explor Shares. The vendors have retained a 2% NSR royalty on these Patented Claims and Explor has the right to buy back at any time half of this royalty for an amount of $1,000,000.

In March 2012, Explor entered into a sale agreement pursuant to which it acquired a 100% interest in 3 parcels of Mining Claims comprising 3 units located in the Bristol Township. To acquire these additional units of the TPW Property, Explor paid $60,000. The vendor has retained a 2% NSR royalty on these units.

In December 2014, Explor entered into an option agreement with Teck Resources Limited ("**Teck**") for the TPW Property whereby Teck could earn up to a 70% interest in the TPW Property.

Explor granted Teck the option to acquire an initial 55% interest in the TPW Property (the "**Teck First Option**") which Teck could exercise by incurring an aggregate of $8,000,000 in committed and optional expenditures by May 1, 2019. If Teck did not incur the listed expenditures, Teck could pay cash in lieu of the shortfall to maintain the First Option. Teck could terminate the First Option at any time prior to exercising the First Option, so long as Teck returned the Property within 30 days in good standing.

Teck would have a further option (the "**Teck Second Option**") to earn an additional 15% interest in the TPW Property (the "**Additional Interest**") by sole funding an additional $4 million in expenditures, for an aggregate of $12 million on the Property prior to May 1, 2022. If Teck did not incur the listed expenditures, it could pay cash in lieu of the shortfall to maintain the Second Option. If Teck exercised the Second Option the Property would have been owned as to Teck 70% and Explor 30% interest. Teck did not incur the required expenditures and did not pay the required funds to earn any interest in the TPW Property.

Claims, Licenses and Tenure Rights

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the TPW Property now has 264 Mining Claims.

Terms of Royalties, Overrides and Back-in-Rights

There are 2% and 1 % royalties on some of the claims of the TPW property.

Permitting – Province of Ontario and First Nations

As of the date of the 2013 Technical Report, the pre-2018 Mining Claims and Patented Claims which were governed by Permit # PR -13-10023. Permit PR-13-10023 has been superseded by Permit #PR 19-000043 which expires on April 16, 2022 and which covers some of the claims of the TPW Property.

Explor has signed a Memorandum of Understanding ("**FPFN MOU**") with the Flying Post First Nation of Nipigon Ontario and the Mattagami First Nation of Gogama Ontario (the "**TPW First Nations"),** with respect to the TPW Property. The FPFN MOU details areas in which Explor and the TPW First Nations have agreed to work together. These areas include environmental protection, employment and business opportunities, as well as education and training for the TPW First Nations communities (Refer to Explor's news release, dated June 4, 2013). In connection with the FPFN MOU, Explor has issued a total of 1,000,000 Explor Shares to the TPW First Nations and will have to pay them 2% of all direct exploration costs incurred on the TPW Property. This agreement covers properties which are included in the TPW Property and some claim in the Ogden area which are not in the TPW Property.

History

The area around Timmins has been the subject of exploration activity since 1909, when prospectors discovered the "Golden Staircase", a rich vein of gold that led eventually to the discovery and development of the Dome Mine. The early discovery precipitated the Porcupine Gold Rush, and a huge mining camp formed at Porcupine Lake, a few kilometres east of what is now the City of Timmins. By 1912 the Hollinger, MacIntyre and Big Dome mines were established and operating.

SUMMARY OF EXPLORATION HISTORY OF THE TIMMINS PORCUPINE WEST PROPERTY		
Year	**Company/Person**	**Exploration**
1958	Hollinger Mines	Hollinger Mines drilled a 1,006 ft hole in greywacke, encountering minor stringers of pyrite.
1967-1969	--	Two diamond-drill-holes 67-1 and 69-3B.
1980	Geophysical Surveys Inc.	Airborne geophysical survey completed over majority of property, combining EM and magnetic survey. Two diamond-drill-holes completed; 80-1 and 80-2A.
1981-1983	Texas Gulf Canada Ltd.	Combined airborne EM and magnetic survey over the NW corner of the Property in May of 1981. North-south orientated flight lines with 1/8 mile line spacing. A drill hole tested a northeast-trending airborne conductor immediately north of the northern property boundary in late 1981.
1984	H.Z. Tittley	Ground geophysical VLF-EM survey completed over eight claims in the south-western part of the Property. Five geophysical anomalies were delineated.
1984-1990	Dome Exploration (Canada) Limited (Placer Dome Inc./ Barrick Gold Company)	Acquired and held the Property from 1984 to 1990 during which time they completed an HLEM and magnetic survey (1984), a VLF survey over the southern half of the property (1985), 14 km of I.P. (1987), 7.5 km of I.P. (1988), three separate drill campaigns with a total of 20,143 m completed: (I) drill-holes 246-1 through 246-22 over 4,917 m (1985); (II) holes 246-23 through 246-50 over 7,453 m (1987); holes 246-51 through 246-81 over 7,773 m 1988). Drilling targeted shallow mineralization above 300 m depth and delineated a mineralized zone in the central part of the Property measuring 350 m x 45 m, oriented at ~75˚ toward ~330˚, and open to depth. Some of this work was outside of the current limits of the Property.
1986	Cominco Ltd.	A ground geophysical Mag and VLF-EM surveys defined the location of diabase dykes. The survey was carried out over what now comprises the north-western part of the Property. No follow-up work was recommended.
1994-1995	Teck Company Ltd.	New line cutting, real section I.P. over part of the Property and four diamond-drill-holes, totaling 1625 m.
1998-1999	Cameco Gold Inc.	Compilation work and selective re-logging of historic core in 1999.
2000	Cameco Gold Inc.	A magnetic and I.P./Resistivity survey (pole-dipole) was completed over the NW corner of the Property in winter 2000. 1,006 m diamond-drilling program completed in May 2000, testing the gold-bearing porphyry. Drilling included two new holes and the deepening of two holes drilled in the 1980's. Elevated gold was detected in all four holes, with the best assay returning 11.4 (gpt) Au over 0.7 m in hole BRS00-02. An additional hole (BRS00-03), totalling 368 m, was drilled by Cameco on the Bristol property in November 2000, to test the mafic volcanic-sedimentary contact north of the so-called Bristol Porphyry. Sections of "bleaching" alteration and veining, hosted by mafic volcanic rock, were intersected but returned only weakly anomalous gold assays (up to 170 ppb Au over 1.5 m).

SUMMARY OF EXPLORATION HISTORY OF THE TIMMINS PORCUPINE WEST PROPERTY		
Year	**Company/Person**	**Exploration**
2001	Cameco Gold Inc.	Additional three holes completed totalling 1,483 m, to test the main porphyry mineralization at vertical depths between 400 and 600 m and along its interpreted northeast extension at shallow depths (i.e., below 200 m vertical). All three holes intersected gold mineralization hosted by strongly deformed and altered quartz-feldspar porphyry, along a 300 to 400 m wide deformation corridor striking between 230o and 250o. The best mineralized intervals returned 3.8 gpt Au over 5.0 m in hole BRS01- 07 and 2.4 gpt Au over 6.1 m in hole BRS01-08 (Babin, 2002).
2002	Cameco Gold Inc.	Two phase drill program completed, totalling 5,609 m. The first phase was designed to test the projected extension of the known gold zones hosted by the main porphyry intrusion, along a southwest oriented trend, determined from previous drilling. It also tested the southwest extension of the Bristol Creek fault mineralization. Phase II testing the down-dip and easterly-strike extensions of the mineralized zone intersected in hole BRS01-08 (2.4 gpt Au over 6.1 m). One hole returned 8.l gpt Au over 0.5 m. The other seven holes tested the higher-grade mineralization hosted by the main porphyry to the East, along strike, and at depth. Two holes were abandoned due to excessive deviation shortly after they were collared. All 2002 holes, with the exception of BRS02-13 (and the two abandoned holes), intersected significant gold mineralization (i.e., Au greater than 1.0 gpt or Au greater than 0.2 gpt over 5.0 m core length).
2003- 2006	Tom Exploration	361 km of line cutting, conducted 361 km of I.P., resistivity, Mag and EM geophysical surveying, MMI (mobile metal ion) soil survey, and 10,000 m of diamond-drilling . Kimberlite and lamprophyre dykes were intersected and new occurrences of quartz-feldspar porphyry with anomalous gold and silver concentrations were located.
2006	*Tom Exploration*	In September 2006, MRB & Associates were contracted to compile a drill-hole database within GEMCOMTM software and A. S. Horvath, P. Eng. was sub-contracted to complete evaluation, interpretation and 3-D geological modelling from the drill-hole database provided. Five zones of significant sulphide mineralization with associated gold were identified in the initial modelling. Two zones occurred within the high-iron, tholeiitic, mafic volcanic rocks along the 070°-trending north limb of the geosyncline while the other three zones occurred on the south limb. The most significant mineralization is located in a series of quartz-sulphide- gold veins within highly altered wall rocks of quartz-feldspar porphyry and syenite along the south limb of the indicated geosyncline.
2006	R.D. Moran	In December 2006, Tom Exploration transferred its ownership of the Property to R.D. Moran. No work was performed until the Property was transferred to Explor in July, 2009.
2009	Explor	Explor contracted A.S. Horvath, P. Eng. to re-establish and update the 3- D geological models, which confirmed the association of gold mineralization with the central QFP and syenite intrusions (also seen at the adjacent Thunder Creek and Timmins Mine properties of Lakeshore Gold Corp.)
2010	MRB & Associates and A.S. Horvath Engineering Inc.	A NI 43-101 compliant Mineral Resource Estimate and technical report on the Property was completed for Explor in June of 2010. Modelling revealed additional exploration potential in areas not previously recommended for drilling.

SUMMARY OF EXPLORATION HISTORY OF THE TIMMINS PORCUPINE WEST PROPERTY		
Year	**Company/Person**	**Exploration**
2009-2011	Explor	Three phases of diamond-drilling were completed from November 2009 to August 2011. Phase I comprised nine holes totalling 12,065.9 m and targeting the "A-Zone" mineralization of the south limb of the Porcupine Geosyncline. Phase II comprised 19 holes totalling 12,658 m and testing the projected down-dip continuation of the "A-Zone" from 800 m to 1,000 m depths, as well as the other identified mineralized zones on the property ("B- to E-Zones"). Phase III comprised 71 holes including 36 wedge holes, totaling 38,861.3 m and further delineated the "A-Zone" and increased the strike-length to greater than 1,975 m. The main mineralization was reported to be concentrated between 550 m and 850 m below surface.
2012	P&E	A NI 43-101 compliant Mineral Resource Estimate and technical report on the Property was completed for Explor in January 2012.
2013	Explor	Explor: See Drilling by Explor – Phase VI Drilling.
2014	Explor	EXS: No exploration work conducted.
2015	Teck	Teck: See Teck from 2014 to May 2017.
2016	Teck	Teck: See Teck from 2014 to May 2017.
2017	Teck/Explor	Teck See Teck from 2014 to May 2017. See Explor-Phase VII drilling- 2017
2018	Explor	Explor: See Explor.-Preliminary Metallurgical Testing- 2018
2019	Explor	No exploration work conducted.

Geological Setting and Mineralization

The TPW Property is situated within the western part of the Archean Abitibi Greenstone Belt of the Superior Province of the Canadian Shield. The Abitibi Greenstone Belt consists of a regionally east-west striking assemblage of dominantly mafic to felsic metavolcanic, metasedimentary rocks, lesser ultramafic metavolcanic rocks, and a variety of intrusive rocks. The TPW Property is relatively flat with an average elevation of approximately 290 m above sea level.

The TPW Property is at the west end of the Porcupine gold camp and consequently there is an extensive history of geological mapping, mineral exploration and mining in the area of the T P W Property. The TPW Property is mostly underlain by Porcupine assemblage metasediments, bounded to the north by mafic volcanic rocks of the Tisdale assemblage, and intruded in east-central Bristol Township by quartz-feldspar porphyry (“QFP”). The younger, overlying Tisdale assemblage consists of basal ultramafic volcanics and basaltic komatiites, overlain by a thick sequence of tholeiitic basalts and capped by minor dacitic volcaniclastics. Northeast striking meta-volcanic rocks of the Tisdale assemblage are present in the northern part of the TPW Property, north of highway 101. The Porcupine assemblage is the older of the two metasedimentary assemblages in the southern Abitibi greenstone belt and consists of metawacke and argillite that conformably overlies the Tisdale assemblage. Near the base of the Porcupine assemblage, the Krist formation consists of calc-alkaline felsic fragmental volcanic rocks overlying the Tisdale assemblage.

The Porcupine Destor deformation zone and the Larder Lake-Cadillac deformation zone, to the south, are the two major regional fault structures that control the location of the majority of current and past- producing gold deposits in the Abitibi region. In the Timmins area, the majority of gold deposits occur proximal to fault structures or within fault-bounded blocks, and the mineralized vein zones commonly occupy brittle fracture zones in these areas. Several of the early geological survey efforts were directed to tracing the Destor Porcupine fault zone west from the Porcupine mining camp into Ogden and Bristol Townships.

The quartz feldspar porphyry intrusion hosted by Porcupine metasediments in east central Bristol Township has been dated at 2,687.7 +/- 1.4 Ma (Ayer et al. 2005). The QFP is variably altered, deformed and mineralized with disseminated sulphides (Langton et al. 2012). Langton et al. (2012) report that where the quartz feldspar porphyry is less deformed and altered, the feldspar phenocrysts are preferentially epidotized and the rock is generally more siliceous, highly fractured and blocky. The sedimentary rocks encompassing the QFP intrusion on the TPW Property contain numerous dykes of similar composition to the main porphyry.

Mineralization on the TPW Property is closely associated with shear zones in the quartz feldspar porphyry intrusion and metasediments with quartz feldspar porphyry dykes. The porphyry lies along a deformation corridor associated with the Bristol Fault that passes near the centre of the TPW Property. Drilling by Explor has shown that the mineralized shear-zones in the QFP extend for 1,975 m along strike and to depths up to 900 m. Mineralization occurs in several parallel 70 to 80^{o} north dipping "veins" that occur within a zone that is approximately 750 m wide. Mineralized intercepts are generally associated with altered and sheared QFP and are typically 1 to 18 m wide with an average width of 3.5m.

The TPW Property porphyry-hosted gold mineralization resembles that of the Hollinger and McIntyre gold mines located approximately 15 km to the east and is characterized by chalcopyrite-pyrite stringers and veins, and quartz-tourmaline veins, hosted by altered and sheared quartz-feldspar porphyry.

The gold mineralization on the TPW Property can be broadly classified as a mesothermal lode gold deposit in an Archean greenstone belt setting. In the Superior Province, mesothermal gold deposits are spatially associated with large scale regional deformation zones such as the Destor Porcupine zone. These large scale structures and the associated Timiskaming-type sediments are interpreted as zones of transpressive terrain accretion (Kerrich and Wyman 1990). Dube and Gosselin (2007) have summarized the general consensus that greenstone-hosted quartz-carbonate vein deposits are related to metamorphic fluids liberated during accretionary processes and generated by prograde metamorphism and thermal re-equilibration of subducted volcano-sedimentary terranes.

Drilling by Explor

Explor have undertaken six separate phases of drilling at the TPW Property, the sixth of which is ongoing. The first three phases have been described in the P&E technical report of January, 2012 (the "**2012 TPW Technical Report**"),which was filed on SEDAR on Explor's profile on January 13, 2012. A summary of those phases is given under "*History*" of the TPW Property section of this Circular.

Phase IV Drilling – 2011-2012

Phase IV of drilling at the TPW Property was initiated in October of 2011 and completed in March of 2012. This phase of drilling was designed to continue to expand the extent of the known mineralization of the "A" Zone, located on the south limb of the geo-syncline and one of several mineralized zones identified on the TPW Property (Explor news release dated October 4, 2011). A total of 41 holes, including 21 wedge holes, were completed over a total length of 34,426.4 m.

Highlights of this phase of drilling are summarized in the table below:

SIGNIFICANT MINERALIZED INTERCEPTS FOR PHASE IV DRILLING				
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**
TPW-11-56W1	420.5	421.5	1.0	2.37
	1031.5	1033.0	1.5	1.51
	1041.0	1042.5	1.5	1.78
	1062.1	1063.1	1.0	1.75
TPW-11-57W1	786.0	787.0	1.0	3.36
	1027.0	1032.0	5.0	2.31
TPW-11-57W2	999.6	1003.5	3.9	2.26
	1131.5	1132.5	1.0	1.54
TPW-11-57W3	1010.9	1013.2	2.3	3.18
TPW-11-57W4	972.3	978.0	5.7	5.12
	982.5	985.1	2.6	2.70
	997.5	999.0	1.5	1.65

SIGNIFICANT MINERALIZED INTERCEPTS FOR PHASE IV DRILLING				
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**
TPW-11-58	526.5	528.0	1.5	2.06
	1057.9	1061.5	3.6	2.20
TPW-11-59	516.0	517.5	1.5	5.35
	541.5	546.0	4.5	6.20
	614.7	616.5	1.8	2.81
TPW-11-60	333.4	341.2	7.8	114.76
TPW-11-61W1	735.1	738.0	2.9	3.81
	762.0	764.0	2.0	1.92
	769.5	771.0	1.5	1.69
	1026.0	1027.5	1.5	5.93
	1037.0	1038.9	1.9	1.85
TPW-11-61W2	935.2	936.2	1.0	3.77
	1053.0	1056.0	3.0	1.99
TPW-12-62W1	847.5	862.2	14.7	6.70
	864.2	876.0	11.8	2.25
TPW-12-62W2	801.0	809.0	8.0	1.59
	831.0	835.4	4.4	1.98
	849.0	850.5	1.5	1.79
	894.9	896.3	1.4	2.84
TPW-12-62W3	787.5	801.0	13.5	7.36
	808.5	813.0	4.5	3.39
TPW-11-62W4	864.0	874.5	10.5	3.49
	877.5	886.2	8.7	4.09
TPW-11-65	95.7	99.0	3.3	28.46
TPW-12-66	211.5	214.5	3.0	2.70
	282.0	283.0	1.0	2.01
TPW-12-67A	328.5	333.5	5.0	2.63
	427.5	429.0	1.5	2.35
TPW-12-67B	69.0	70.5	1.5	5.83
TPW-12-69	235.5	240.0	4.5	4.35
	372.0	375.0	3.0	1.64
TPW-12-70	322.5	324.0	1.5	2.18
	443.5	444.5	1.0	9.48
TPW-12-71	529.0	534.0	5.0	1.64
	547.5	549.5	2.0	2.10
TPW-12-72W2	644.5	645.5	1.0	1.66
	783.0	784.5	1.5	3.33
TPW-12-72W3	772.5	774.3	1.8	1.64
TPW-12-72W4	910.6	912.0	1.4	5.42
TPW-12-72W5	637.5	638.5	1.0	3.54
	727.5	729.0	1.5	4.18
	737.5	738.5	1.0	2.45
TPW-12-73	828.0	832.5	4.5	4.73
	859.5	869.3	9.8	3.50

SIGNIFICANT MINERALIZED INTERCEPTS FOR PHASE IV DRILLING				
Hole #	From (m)	To (m)	Width (m)	Au (g/t)
TPW-12-73W1	853.5	859.5	6.0	3.82
TPW-12-73W2	856.5	858.0	1.5	1.88
	865.5	867.0	1.5	1.63

Phase V - Drilling -2012

Explor's fifth phase of drilling was initiated in March of 2012 and completed in August of 2012. Phase V drilling was designed to continue to expand the extent of the known mineralization of the "A" Zone near surface, as well as to depth (Explor news release dated March 27, 2012).

A stratigraphic hole was also completed during this phase. The hole was successful in confirming the low-grade mineralization in the North Limb of the syncline, mirroring the mineralization in the South Limb. This hole also confirmed the existence of faults that could have acted as conduits for the gold mineralization (Explor news releases dated 17 April, 2012 and September 26, 2012). A total of 35 holes, including eight wedge holes, were completed over a total length of 23,763.2 m.

Highlights of Phase V drilling are summarized in the table below.

SIGNIFICANT MINERALIZED INTERCEPTS FOR PHASE V DRILLING				
Hole #	From (m)	To (m)	Width (m)	Au (g/t)
TPW-12-73W3	850.5	852.0	1.5	1.77
	863.0	864.0	1.0	3.52
TPW-12-73W5	841.3	874.5	33.2	7.65
TPW-12-73W7	869.5	873.0	3.5	5.03
TPW-12-74	656.4	657.2	0.8	4.41
TPW-12-75	264.0	265.5	1.5	1.54
	436.5	439.7	3.2	6.21
	473.2	474.0	0.8	2.06
TPW-12-76	301.5	306.0	4.5	6.14
	376.5	378.0	1.5	2.36
	531.0	532.5	1.5	10.46
TPW-12-77	177.0	178.5	1.5	4.76
	327.0	328.5	1.5	2.16
	448.5	450.0	1.5	1.99
TPW-12-78	391.5	393.0	1.5	2.67
	751.0	752.0	1.0	2.04
TPW-12-79	211.5	213.2	1.7	1.95
	236.5	240.0	3.5	3.50
	287.0	288.0	1.0	1.99
	394.5	397.6	3.1	2.67
	423.0	426.0	3.0	4.48
TPW-12-80	190.5	192.5	2.0	3.39
	246.0	249.5	3.5	2.18
	343.0	344.8	1.8	2.39
	496.0	497.0	1.0	4.21
TPW-12-81A	477.0	478.5	1.5	4.62

SIGNIFICANT MINERALIZED INTERCEPTS FOR PHASE V DRILLING				
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**
	506.0	507.0	1.0	1.57
	546.0	547.5	1.5	2.62
	553.5	555.0	1.5	1.69
TPW-12-82A	347.5	349.0	1.5	4.26
	444.0	451.5	7.5	4.52
	823.5	825.0	1.5	1.61
	1041.0	1044.0	3.0	1.94
TPW-12-83	166.5	167.5	1.0	1.98
TPW-12-83W1	240.0	241.0	1.0	1.96
TPW-12-83W2	951.0	952.5	1.5	4.46
TPW-12-84	82.5	84.0	1.5	2.23
	273.0	276.0	3.0	2.22
	309.0	310.5	1.5	3.02
	363.0	366.0	3.0	2.10
TPW-12-85	165.0	168.0	3.0	2.61
	174.0	175.5	1.5	3.60
	247.5	249.0	1.5	1.95
	303.0	307.5	4.5	2.90
TPW-12-86	118.5	121.0	2.5	2.74
	241.5	247.5	6.0	7.64
	259.5	262.5	3.0	2.68
	271.5	273.0	1.5	2.40
	358.5	362.8	4.3	7.79
	394.5	396.0	1.5	1.71
TPW-12-87	165.0	166.5	1.5	2.19
	199.5	203.6	4.1	3.04
	259.5	260.5	1.0	2.64
	359.0	360.0	1.0	3.94
TPW-12-88	188.0	189.0	1.0	9.05
	235.0	238.5	3.5	5.23
	351.0	352.5	1.5	6.21
TPW-12-89	172.0	177.0	5.0	1.56
	240.0	242.0	2.0	3.43
	282.0	283.5	1.5	1.78
TPW-12-90	175.3	177.0	1.7	3.09
	189.5	192.0	2.5	1.56
TPW-12-91	118.5	120.0	1.5	1.94
	422.0	423.0	1.0	2.17
TPW-12-92	177.8	178.4	0.6	3.24
	516.0	517.5	1.5	2.02
TPW-12-94	332.8	334.8	2.0	1.79
	559.9	560.9	1.0	3.90
TPW-12-95	207.3	208.8	1.5	1.78
	344.0	345.0	1.0	1.67
	563.0	564.0	1.0	1.58
TPW-12-96	168.0	169.0	1.0	3.14
	256.5	259.5	3.0	2.46

SIGNIFICANT MINERALIZED INTERCEPTS FOR PHASE V DRILLING				
Hole #	From (m)	To (m)	Width (m)	Au (g/t)
TPW-12-97	177.0	179.0	2.0	3.32
TPW-12-98	288.0	289.5	1.5	4.03
	304.5	307.5	3.0	1.93
	484.5	486.0	1.5	1.81

Phase VI- Drilling -2013

Phase VI drilling was initiated in January of 2013 and was ongoing at the time of writing the TPW Technical Report. The sixth phase of drilling was designed to test and expand the known near surface gold mineralization in order to determine the open pit resource potential of the Property (Explor news release dated January 10, 2013). A total of 13 holes, were completed over a total length of 6,169.7 m.

Drilling to date has delineated a gold bearing mineralized structure with a strike length of greater than 2 km and a vertical depth from between 600 m to 900 m. Mineralization is open along-strike and to depth (Explor news release dated January 10, 2013).

Highlights of Phase VI (2013) drilling are summarized in table below.

SIGNIFICANT MINERALIZED INTERCEPTS FOR PHASE VI DRILLING				
Hole #	From (m)	To (m)	Width (m)	Au (g/t)
TPW-13-100	297.0	298.0	1.0	2.09
	534.0	540.0	6.0	9.07
TPW-13-101	242.5	249.0	6.5	6.90
	255.5	258.0	2.5	2.82
	297.5	298.5	1.0	4.83
TPW-13-102	317.0	324.5	7.5	1.12
TPW-13-103	300.0	303.0	3.0	2.11
TPW-13-104	163.5	165.0	1.5	2.34
	192.0	193.5	1.5	6.29
	207.5	211.5	4.0	1.77
	220.0	221.5	1.5	7.24
	256.5	258.0	1.5	2.65
	393.0	394.5	1.5	1.66
TPW-13-106	79.5	81.5	2.0	5.00
	228.0	229.5	1.5	2.11
	316.5	321.0	4.5	5.10
	393.0	394.5	1.5	2.18
TPW-13-107	199.5	201.0	1.5	2.16
TPW-13-108	189.0	190.5	1.5	2.74
	315.0	316.5	1.5	1.74
	327.0	328.5	1.5	2.09
	373.5	379.5	6.0	3.09
TPW-13-109	36.0	37.5	1.5	12.96
	54.0	55.5	1.5	2.71
	121.5	123.0	1.5	3.67
	142.5	144.0	1.5	2.04
	172.5	174.0	1.5	2.56
	327.0	333.0	6.0	3.65

SIGNIFICANT MINERALIZED INTERCEPTS FOR PHASE VI DRILLING				
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**
	358.5	360.0	1.5	1.97
TPW-13-110	160.5	162.0	1.5	1.59
	198.0	204.0	6.0	1.28
	373.5	375.0	1.5	1.79
TPW-13-111	112.5	114.0	1.5	1.75
	303.0	309.0	6.0	1.77
	439.5	441.0	1.5	10.05

After the date of the 2013 TPW Technical Report, Explor has reported the following results:

SIGNIFICANT MINERALIZED INTERCEPTS- NEW RESULTS PUBLISHED IN PRESS RELEASES DATED AUGUST 13, 2013 AND SEPTEMBER 24, 2013				
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**
TPW-13-112B	129.0	130.5	1.5	1.21
	226.5	228.0	1.5	5.47
	570.0	571.5	1.5	1.14
TPW-13-113	140.0	142.5	2.5	1.48
	225.0	226.5	1.5	2.77
	441.0	442.5	1.5	1.59
	451.5	453.0	1.5	2.09
TPW-13-114	321.5	322.5	1.5	2.82
TPW-13-115	90.0	91.5	1.5	3.63
	93.0	96.0	3.0	2.39
	163.5	166.0	2.5	3.20
	196.5	198.0	1.5	1.23
	226.5	232.5	6.0	3.23
	244.5	246.0	1.5	1.27
	400.5	402.0	1.5	2.42
	420.0	421.5	1.5	1.32
	442.5	444.0	1.5	1.49
TPW-13-117	117.0	120.0	3.0	11.17
	238.5	241.5	3.0	2.38
	418.5	421.5	3.0	8.99
TPW-13-118	88.5	90.0	1.5	4.81
	241.5	243.0	1.5	3.02
	483.0	484.5	1.5	15.98
TPW-13-119	416.1	417.1	1.0	3.94

Teck from 2014 to May 2017

In October 2015, Teck started a drill program on the property. Teck reviewed Explor' data and reclassified a gold-bearing mineralized system with high grade West Deep Zone, and a sparsely drilled gap zone in between and porphyry zones to the east over a 2000 meters strike length.

During the 2015-2016 exploration program on TPW Property, Teck completed five diamond drill holes preceded by TerraSpec (Short Wave Infrared) analyses on coarse reject material to assist in mapping of alteration patterns and vectors to assist with diamond drill hole targeting. Additional work included sampling, whole rock geochemistry, magnetic susceptibility and TerraSpec scanning on holes TPW-10-09 and BRS 02-17 to characterize mineralization styles.

Work completed in 2015 included multi-element geochemical analyses of historic diamond drill core and coarse reject material; collection of short wave infrared ("**SWIR**") spectral data on historic core and reject material; completion of five new diamond drill holes; collection of portable X-ray fluorescence (pXRF) data on new drill core, completion of a geological and structural review of historic drill core and available geological data. An initial environmental baseline study was also completed on the TPW Property by Teck.

Phase I of the 2015 exploration program was focused on data acquisition of geochemical, geological and alteration vectors towards mineralization, starting in April of 2015 and culminating in target selection for the Phase II drill program in September. Details of work completed during Phase I include:

- 2,831 samples (including QAQC samples) from historic core were sent to Bureau Veritas Laboratories for multi-element and fire-assay analyses. In addition, 141 samples were also sent for litho-geochemical analysis (including QAQC samples). Sample medium included halved-core of previously un-sampled intervals, quarter-cut core, and coarse reject material;
- 20,399 core and coarse reject samples (including QAQC samples) were scanned using SWIR;
- 2,246 meters of core were logged in detail, and an additional 13 holes were reviewed to confirm deposit geology, structure, alteration, and mineralization.

The Phase I geochemical and spectral program was successful in the development of an alteration and geochemical model for select areas of the project, defining gold-bearing corridors which were subsequently incorporated into drill target selection. The 2015 Phase II program tested five targets around the West Deep zone with one 250 meters step-out, two 150 meters step-outs and two 60 meters step-outs from historic drilling. Details of the Phase II program include:

- 4,706.5 meters of core were drilled testing five targets;
- 2,704 meters of core was cut and sampled, totaling 2,094 samples (including QAQC samples) were sent to Bureau Veritas Laboratories for multi-element and fire-assay analyses. In addition, 60 samples were also sent for lithogeochemical analysis (including QAQC samples);
- 1,777 spot-analyses (including QAQC) on core were analyzed with SWIR, and 1,969 spot analyses (including QAQC) on core were taken using a pXRF for geochemical pathfinders, at a rate of approximately 1 measurement per 3 meters run block;
- 4,706.5 meters of core was logged in detail.

Lithology intersected from the 2015 drill program includes approximately 25 meters of overburden consisting of glacial till and boulders, with bedrock dominated by sandstones, mudstones, and siltstones, and conglomerates of the Porcupine assemblage, with several relatively short intervals of quartz feldspar porphyry sills and dykes ("**PQF**") of the Bristol Stock, and occasional Proterozoic diabase related to the Matachewan large igneous province. Where observed, fining directions in the sedimentary pile generally support a steep to overturned bedding interpretation, younging to the south which is consistent with observations from historic core in this part of the property.

Alteration consists of wide zones of weak to moderate sericite, locally pervasive, focused on portions of the holes with PQF or PQF-associated rocks such as massive sandstone and PQF-clast conglomerate. Zones of moderate to strong sericite alteration are closely associated with areas of white quartz-carbonate vein stockwork and quartz-tourmaline veining in a number of the PQF units intersected in the upper portions of TPW-15-123A and TPW15-122W1. Alteration associated with sulphide mineralization in the West Deep zone includes strong muscovite (sericite), Fe-chlorite, and Fe-carbonate (siderite) as identified visually and through SWIR analysis.

Veins on the project are typically intensely deformed, partially to completely transposed into the dominant foliation, and commonly isoclinally folded. Due to this deformation, it is not possible to fully ascertain the origin or paragenesis of the vein sets on the project with observations to date. During the 2015 exploration program, a coarse classification was used, which consisted of 3 primary vein types: quartz ± carbonate ± tourmaline veins; pyrite ("pyr") + gangue (chlorite, tourmaline, calcite) veins; and pyrite ± sphalerite ("sph") (honey colored to reddish) ± pyrrhotite ("poh") ± chalcopyrite veins. The pyr-sph-poh veins are interpreted to be the primary mineralization assemblage in the West Deep zone.

Mineralization in the West Deep zone is associated with deformed bands of pyrite, sphalerite, pyrrhotite, and chalcopyrite. These bands are interpreted as veins or lenses which have been transposed into the dominant foliation, and can be seen isoclinally folded in many sections of core. Sulphide contents in mineralized zones can range from 1-15%, with gold grades generally correlated to visual estimates of sulphide content. Outside of mineralized zones, pyrite can be found disseminated up to 1-2%, however is not associated with significant gold grades, and usually does not contain chalcopyrite, pyrrhotite, or sphalerite.

All five of the completed 2015 drill holes returned sporadic multi-gram gold grades in the hanging wall to the West Deep zone. Only hole TPW-15-120 returned significant mineralization along strike of the West Deep zone, with assay results of 8.379 g/t Au over 2.4 meters from 710.2 to 712.6 meters including one section of 17.9 g/t Au over 0.7 meters.

With the work completed during the 2015-2016 program, Teck has met its first year commitments under the earn-in Option agreement for the acquisition of an initial 55% interest in the Timmins Porcupine West Property by completing exploration expenditures of at least $1,500,000 prior to May 1st, 2016.

A technical meeting was held on October 07, 2016 that reviewed results to date as well as plans going forward on the property as detailed below.

In 2016, the focus has been reviewing the volume of data received in 2015, and developing vectors to mineralization in order to make drilling more efficient. Key points of this work included:

1. Development of a 'sericite index' reflecting particular white mica compositions, as mapped by Short Wave Infrared ("SWIR") techniques, which have a close spatial association with high grade gold intersections.

2. Identification of key geochemical pathfinders to mineralization, including zinc, sulphur, lead, iron, among others.

3. The combination of the alteration with the geochemistry can be used to identify 'near-hit' holes, and potential upside for West-Deep style mineralization.

The work completed by Teck has confirmed and identified a hydrothermal corridor (the "Porcupine Horizon") through geochemistry and SWIR data, and selection of 'near-hit' holes, techniques were investigated in an effort to vector to mineralization within this plane, and to increase drill metre efficiency through geophysics. The results of the alteration and geochemistry studies support the hypothesis of an approximately east-west corridor hydrothermal corridor, within which the West Deep Zone defines a discrete ore shoot. In April 2016, Teck conducted a borehole physical property survey using in-house equipment, as well as non-destructive benchtop studies of known mineralization to identify geophysics options.

The results indicated that mineralization is chargeable (IP), but produces false anomalies (non-gold bearing pyrite zones). The results also indicated that mineralization is conductive (EM), and did *not* produce significant false anomalies. The results of these studies indicate that EM should be able to detect West-Deep style mineralization.

Following the petro-physics work, a borehole EM study was designed to test real-world efficacy of the method. 4 holes were tested (TPW-11-43W6, TPW-11-45W3, TPW-10-34, and TPW-15-120) in order to confirm the method can detect mineralization in the West Deep zone, and to test the distance resolution of the technique.

1. The technique was able to detect mineralization within approximately 30m of the boreholes. While this is useful for guiding step-out drilling within a shoot, it does not seem to see far enough off-hole to identify shoots around near-hit holes.

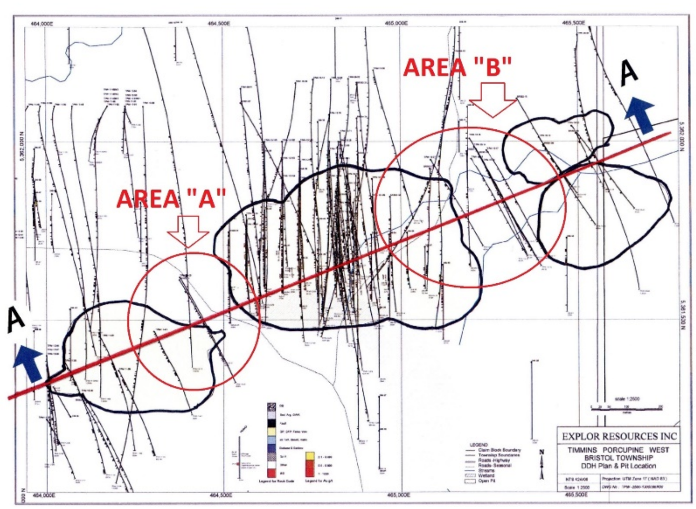
2. Based on the results of the borehole EM, a VTEM survey was supported. Theoretical modeling of the EM response suggests that the VTEM technique should be able to detect a West-deep size body within approximately 200m of the surface (varying with size and conductance of a targeted body), with the opportunity to identify new shoots. The VTEM survey was flown the week ending September 23rd, and results are pending data processing by the contractor.

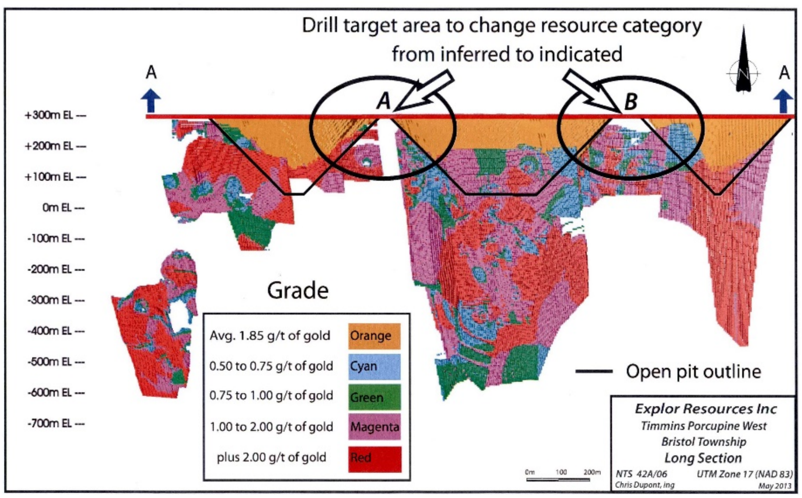
Explor Phase VII - Drilling- 2017

May 2017, Teck returned the TPW Property to Explor. In May 2017, Explor announced the start of a 3,000 meters drill program on the TPW Property. The past completed diamond drilling programs have successfully confirmed the model and the gold bearing mineralized structure for more than 2000 meters of strike length at a vertical depth from 600 to 900 meters. It is currently open on strike and at depth. The first five phases of drilling (106,000 meters) were concentrated on the "5" Zones of gold mineralization located within south limb of the geo-syncline.

In August 2017, Explor announced the results of the diamond drill program on the TPW Property. The spring 2017 program consisted of the extension of 5 previously drilled holes and the completion of 3 new Diamond Drill Holes. Holes #TPW-17-101EX, #TPW-17-102EX, #17-103EX, #TPW-17-104EX and #TPW-17-109 were extended to test the theory that Shear Zone #5 extended across the property. New Holes #TPW-17-124, #TPW-17-125 and #TPW-17-127 were also drilled.

The DDH and Open Pit Plan view show the location of the three potential Open Pit areas that are located over an 1800 meter strike length and 250 meters of depth. The recently completed Diamond Drilling Program was concentrated in the eastern end in proximity to and in Area "B" in order to increase the near surface resource and connect the eastern portion of the potential open pit areas.





A total of 3163.4 meters were drilled to expand and update the open pit potential of the TPW Property of Explor by intersecting North-east-South-west trending Shear Zone #5 that was originally discovered in Hole #TPW-13-101 completed in the 2013 drill program. The drill program was successful in intersecting Shear Zone #5 in four (4) holes with 14 gold values as well as intersecting an additional 14 gold values from 3 holes drilled in previously untested areas of the mineralized strike length. The addition of 28 gold values ranging from 1.06 to 7.3 g/t Au over 1.5 meters within the proposed open pit area clearly shows the extent and potential of this zone.

In summary, holes #TPW-17-101EX, #TPW-17-102-EX, #TPW-17-103EX and #TPW-17-104EX intercepted Shear Zone #5 with 14 gold values ranging from 1.06 to 7.3 g/t gold over 1.5 meters. As well, new fill in holes #TPW-17-124, #TPW-17-125 and #TPW-17-127 in Area "B" intersected 14 gold values from 1.1 to 5.1 g/t Au over 1.5 meters, mostly from east-west trending Shear Zones #1 to #4.

More importantly, Holes TPW-17-101EX, TPW-17-102EX and TPW-17-104EX intercepted gold values from a previously undetected east-west trending shear which has now been interpreted as Shear Zone # 6.

The spring 2017 drill program to increase the potential of the proposed open pit on the TPW Property of Explor was designed to demonstrate:

1) Explor's interpretation of the location of Shear Zone Explor.
2) Revealed a gold mineralized Shear Zone to the south of Shear Zone #5 that we now call Shear Zone # 6.
   Below are the most significant results from the 2017 drill program.

SIGNIFICANT MINERALIZED INTERCEPTS- NEW RESULTS PUBLISHED IN PRESS RELEASE DATED AUGUST 18, 2017

Hole #	From (m)	To (m)	Width (m)	Au (g/t)
TPW-17-101EX	501.0	502.5	1.5	7.370
	601.5	606.0	4.50	1.143
TPW-17-102EX	470.0	471.0	1.00	1.451
	514.4	516.0	1.50	1.510
	537.0	541.5	4.50	1.873
	555.0	556.5	1.50	4.830
TPW-17-103EX	553.0	556.5	4.50	1.875
	559.5	561.0	1.50	2.500
TPW-17-104EX	568.5	570.0	1.50	1.820
	595.5	597.0	1.50	2.060

SIGNIFICANT MINERALIZED INTERCEPTS- NEW RESULTS PUBLISHED IN PRESS RELEASE DATED AUGUST 18, 2017				
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Au (g/t)**
TPW-17-124	97.5	99.0	1.50	4.940
	154.5	156.0	1.50	1.294
	220.5	222.0	1.50	1.096
	406.5	408.0	1.50	2.670
	436.5	438.0	1.50	5.040
	459.9	460.9	1.50	3.260
TPW-17-125	383.5	384.5	1.00	5.110
	409.5	411.0	1.50	1.300
TPW-17-127	199.5	201.0	1.50	2.060
	205.5	210.0	4.50	2.393
	217.0	218.0	1.50	1.076
	231.0	232.5	1.50	1.200
	241.5	244.5	3.00	1.885
	246.0	247.5	1.50	1.100

Explor.- Preliminary Metallurgical Testing- 2018

In May 2018, Explor announced the completion of Preliminary Metallurgical Testing on the low grade near surface gold ore on the TPW Property. Explor selected a representative sample from diamond drill holes in the area of the potential open pit. A 45 kilogram composite sample of mineralized diamond drill core was sent to SGS Minerals Services in Lakefield, Ontario for metallurgical test-work.

The test program included sample preparation, characterization, and flowsheet development testing. Ore characterization included grindability, mineralogy by QEM-RMS (QEMSCAN) rapid mineral scan, and chemical head grade analysis. Flowsheet development testwork focused on gravity separation, as well as flotation and cyanidation of gravity separation tailing.

In summary, the composite sample was analyzed by a screened metallics protocol and resulted in a head grade of 2.64 g/tonne gold. Testing indicated very little silver and negligible arsenic in the composite sample. It was noted that most of the sulphide sulfur was present as Pyrite (3.07%), Chalcopyrite (approximately 0.12%) and Pyrrhotite (0.02%). The Bond Mill work index was determined to be 13.1 Kwh/tonne. A gravity test was conducted and it was determined that the 37.5% of the gold exists as microscopic free gold, indicating that in any future mill design a gravity circuit will be necessary at the front end of the concentrator. Flotation testing indicated that up to 93% of the gold can be recovered as a pyrite concentrate. Cyanide leach test were conducted on the pyrite concentrate and greater than 94% gold extraction was achieved over a 24 hour period. The gold is not refractory and is not locked within the pyrite. A testing of the tailings product (ABA and NAG testing) indicates that there is no potential for acid generation in the flotation tailings material.

The highlights of the reported test-work includes the following results:

- Gold analysis by screened metallics protocol at +/-150 mesh (106 µm) yielded a head grade of 2.64 g/t Au with >20% of the gold in the coarse fraction indicating favorable recovery by gravity.

- Silver reported at less than the AAS detection limit of +/-0.5 g/t while sulphide sulphur, total carbon and arsenic were assayed at 1.48%, 0.7% and <0.001%, respectively.

- Based on the semi-quantitative QEM-RMS analysis, most of the sulphide sulphur was present as pyrite (3.07%). Chalcopyrite was the second most abundant sulphide mineral at ~0.12% and pyrrhotite was third at 0.02%.

- The Bond ball mill grindability test results indicated that the ore fell in the low medium range of hardness, at 13.1 kWh/tonne. The ore fell at the 36th percentile compared to the SGS database.

- In a batch gravity separation test completed, gravity gold recovery to a low mass concentrates (~0.04% of the feed mass) yielded a gold recovery of 37.5% at a primary grind size P80 of ~130 µm. These initial results suggest a high probability of significant potential for the use of gravity circuit at the front end of the mill. Additional gravity separation testwork is recommended in any future studies.

- Rougher flotation tests on gravity separation tailings indicated that gold recoveries in the ~93% range (including the gold recovered by gravity separation) were achievable in ~5% mass pull at a P80 of ~130 µm. There appeared to be an improvement in gold recovery with finer grinding (to P80 = 59 µm).

- Additional testing will be required to optimize the primary grind size for optimal rougher flotation performance. Additional test work is recommend, examining the cleaning characteristics of the rougher concentrate. It may be possible to generate a cleaner flotation concentrate approaching 50 g/tonne Au, compared to the ~30 g/t generated preliminary metallurgical in the preliminary rougher flotation testwork. Locked cycle flotation testing is also recommended to establish a more realistic understanding of potential gold recovery in closed-circuit in a flotation plant.

- Cyanide leach tests examining the impact of grind size on gold recovery from the gravity separation tailings indicated gold extractions >94% (including gravity separation gold recovery) at P80's of 74 µm or finer. Although the gold appears to be associated with pyrite and floats well with pyrite, it is not refractory and locked in the pyrite. Gold leaching appeared to be essentially complete within 24 hours.

- Further testing to optimize cyanide leach parameters is recommended. This testing should address the optimization of feed particle size, leach retention time, pulp density, and cyanide dosage. This testing should encompass leaching of both whole ore (gravity tailings) as well as float concentrates. Subsequent work is recommended to evaluate the gold recovery circuit (CIP or CIL) and establish preliminary design criteria.

- Baseline environmental evaluation (ABA and NAG testing) of a tailing representing a gravity +rougher flotation flowsheet indicated there is no potential for acid generation in flotation tailings material.

Sample and Analyses

The following applies to drilling that was done on the TPW Property by Explor between December 2009 and July 2013 that is included in the 2013 Technical Report. After the date of the 2013 Technical Report, Explor maintained the same Quality Assurance/Quality Control program.

Previous Operations

Prior to 2009, none of the historical assessment or historical work reports used in the preparation of the 2012 TPW Technical Report, contained details of the sampling and analytical methods employed. Quality control methods and security procedures were also not discussed. This may reflect the limited assessment requirements and reporting standards of the time, rather than a lack of diligence from the historical operators.

Explor (2009 to 2013*)*

All core logging, sample selection and sample preparation were conducted by qualified Corporation personnel under NI 43-101 standards at Explor's core logging facilities in Timmins, Ontario. Sample intervals were generally selected based on geological contacts, alteration and mineralization. Typical sample intervals were approximately 1.0 metre. In strongly altered and/or mineralized zones, sample breaks are made at notable contacts, which resulted in sample-intervals of less than 1.0 metre core- length. Maximum sample length was rarely greater than 1.5 metre.

For the sampled intervals, the NQ size core was halved using a diamond saw. One half of the drill-core has been retained in core boxes at the logging facility, whereas the other half was placed in a plastic bag along with a ticket stating the number of that sample. The bags were then sealed prior to transport to Laboratoire Expert Inc. ("**Lab Expert**"), of Rouyn-Noranda, Quebec, an ISO 9001:2000 certified laboratory that routinely performs assaying for junior mining companies.

Sample preparation at Lab Expert includes the following procedures and operations:

1. log sample into tracking system;

2. record mass of sample material received;
3. crush drill-core samples to finer than 90% at minus10 mesh;
4. split sample using a riffle splitter;
5. pulverize the split (up to approximately 300 g) to a particle size finer than 90% at minus 200 mesh. (Excess material is stored for the client as a crusher reject).

Samples from holes TPW-09-01 to TPW-10-13 were analyzed for Au (gold) and Ag (silver), whereas later holes were analyzed for Au only. Gold content was determined by fire assay/AA (atomic absorption) methods, whereas silver content was assayed by aqua regia digestion and AAS (atomic absorption spectrometry). For quality control purposes blank, duplicate and analytical control standards were inserted into the sample sequence by Lab Expert as part of an internal QA/QC check.

It is P&E's opinion that the sample preparation, analyses and security procedures employed by Explor conform to the accepted industry standards.

Data Verification

Site Visit and Independent Sampling

Mr. Antoine Yassa, P.Geo., a Qualified Person, visited the TPW Property on July 10, 2013, for the purposes of completing a site visit and independent sampling program.

Fifteen samples were collected from six diamond drill holes by taking a quarter split of the half core remaining in the box. An effort was made to sample a range of grades. At no time were any employees of Explor advised as to the identification of the samples to be chosen during the visit. The samples were selected by Mr. Yassa, and placed into sample bags, which were sealed with tape and placed in a larger bag.

The samples were sent to Agat Laboratories, in Mississauga for analysis. Agat Laboratories has implemented a Quality Management System designed to ensure the production of consistently reliable data. Samples were analysed for gold using lead-collection fire assay with AAS finish.

Explor's Quality Assurance/Quality Control Review

Explor continued with the Quality Assurance/Quality Control program they began implementing in 2009, employing six different certified reference materials purchased from CDN Resource Labs of Langley, B.C.. Grades ranged from a low of 0.23 g/t Au to a high of 8.25 g/t Au. The insertion rate was approximately 1 in 25, and there were 140 standards analyzed.

Mineral Resource and Mineral Reserve Estimates

2010 Technical Report

In June of 2010, MRB & Associates and A. S. Horvath Engineering Inc. completed a NI 43-101 compliant Mineral Resource Estimate and technical report for the TPW Property. Inferred Mineral Resources of 180,000 tonnes grading 4.6 gpt Au containing 27,750 oz of in-situ gold were calculated for the TPW Property.

It was reported that a subpopulation of high-grade assay composites (>6 gpt Au) occurred within the data set and impacted the grade estimate depending on the range of influence allocated to these samples. The high-grade assay composites were restricted in range to 12.5 m and thus were insufficient to establish high-grade continuity between the holes. Infill drilling to validate the correlations and to establish continuity of these higher-grade structures was recommended.

2010 MINERAL RESOURCE ESTIMATE			
Cut-off Grade (gpt)	**Tonnes**	**Au Grade (gpt)**	**Au (oz)**
0.50	1,962,472	1.60	101,138
1.00	1,257,089	2.07	83,798
1.50	775,572	2.64	65,789
2.00	478,814	3.19	49,165
2.50	232,621	4.22	31,569
3.00	187,868	4.59	27,757
3.50	143,552	4.99	23,022
4.00	80,574	6.02	15,594

Note: *The reader is cautioned that the above listed Mineral Resource Estimate has not been verified by P&E as being NI 43-101 compliant and has since been superseded by the 2013 TPW Technical Report.*

2011 Technical Report

In November 2011, a NI 43-101 compliant resource estimate was made by Eugene Puritch, P.Eng. and Antoine Yassa, P.Geo., of P&E. The Au cut-off grade for the underground resource estimate was calculated as follows:

Operating costs per ore tonne = ($75 + $12+ $5) = $92/tonne [($92)/[($1,350/oz/31.1035 x 95% Recovery)] = 2.23gpt Use 2.2 gpt

2011 UNDERGROUND RESOURCE ESTIMATE				
Class	**Cut off Au**	**Tonnes**	**Au (G/T)**	**Ounces Au**
Indicated	2.2	770,000	5.13	127,000
Inferred	2.2	5,523,000	3.97	704,000

Note: *The reader is cautioned that the above Resource Estimate has since been superseded by the 2013 TPW Technical Report.*

2013 Technical Report

The TPW Property gold deposit mineral resource estimates in compliance with Canadian Securities Administrators' National Instrument 43-101 ("NI 43- 101") and Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards. This resource estimate was undertaken under the direction of Eugene Puritch, P.Eng. of P&E. The effective date of this mineral resource estimate was July 1, 2013.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into mineral reserve. Confidence in the estimate of Inferred mineral resources is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Mineral resources may also be affected by further infill and exploration drilling that may result in changes to subsequent mineral resource estimates.

<u>Database</u>

The database for the estimate of 2013 was constructed from 325 surface drill holes, of which 312 were utilized in the resource calculation. The assay table contains 34,057 Au assays.

Data Verification

P&E independently verified assay records for approximately 68% of the database. A small number of inconsistencies in the database were identified and corrected. Industry standard validation checks were completed on the database. P&E noted no significant validation errors and estimated the database suitable for the estimation of mineral resources at TPW Property.

Domain Interpretation

A total of nineteen mineralized constraining domain boundaries were determined from lithology, structure and grade boundary interpretation from visual inspection of drill hole sections. These domains were created with computer screen digitizing on drill hole sections. The domain outlines were influenced by the selection of mineralized material above 0.5 g/t Au that demonstrated lithological and structural zonal continuity along strike and down dip. In some cases mineralization below 0.5 g/t Au was included for the purpose of maintaining zonal continuity. Smoothing was utilized to remove obvious jogs and dips in the domains and incorporated a minor addition of inferred mineralization. This exercise allowed for easier domain creation without triangulation errors from solids validation. The mineralized domains were then clipped to an overburden surface constructed from drill hole logs.

On each section, polyline interpretations were digitized from drill hole to drill hole but not typically extended more than 50 metres into untested territory. Minimum constrained true width for interpretation was approximately 2.0 metres. Interpreted polylines from each section were "wireframed" into 3-D domains. The resulting solids (domains) were used for statistical analysis, grade interpolation, rock coding and mineral resource estimation.

Composites

The average assay sample length for the constrained assay data is 1.26 metres, ranging from 0.20 metres to 5.60 metres, with forty-six percent of the constrained assay samples having a length of 1.50 metres. Length weighted composites were generated for the drill-hole data that fell within the constraints of the above-mentioned domains. These composites were calculated for Au over 1.5 metre lengths starting at the first point of intersection between assay data hole and hanging wall of the three- dimensional zonal constraints. The compositing process was halted upon exit from the footwall of the aforementioned constraint. A small amount of un-assayed intervals were assigned a nominal value of g/t. Any composites that were less than 0.75 metres long were discarded so as not to introduce any short sample bias in the interpolation process. The constrained composite data were transferred to extraction files for the grade interpolation.

Grade Capping

The presence of high-grade outliers for the composite data was evaluated by a review of composite summary statistics, histograms and probability plots (see graphs in Appendix-III). Based on this analysis a composite capping level of 20g/t Au was selected. A total of fourteen composite values were capped to this threshold prior to estimation.

Variography

Isotropic and anisotropic experimental semi-variograms were iteratively modeled from domain-coded uncapped composite data, as both untransformed variables and transformed normal-score variables. The nugget effect was derived from the down-hole experimental semi-variogram. The modeled isotropic experimental semi-variogram for the total composite data set was assessed for geological reasonableness and used for estimation and classification of the mineral resources.

Bulk Density

The bulk density used for the mineral resource estimate was derived from site visit samples analysed at Agat Laboratories. The average bulk density for the TPW resource was derived from 40 samples and determined to be 2.85 tonnes per cubic metre. Individual sample bulk density values range from 2.70 tonnes per cubic metre to 3.39 tonnes per cubic metre.

Block Modelling

The TPW Property gold deposit resource model was divided into a block model framework containing 152,904,400 blocks, extending 5.0 m in the X direction, 5.0 m in the Y direction and 2.5 m in the Z direction. The block model framework contains 682 columns (X), 950 rows (Y) and 236 levels (Z), and was not rotated. Separate block models were created for rock type, density, percent, classification and Au parameters.

A percent block model was established to accurately represent the volume and subsequent tonnage that was occupied by each block inside the constraining domain. As a result, the domain boundary is properly represented by the percent model ability to measure individual infinitely variable block inclusion percentages within an individual domain.

Linear Ordinary Kriging of capped composite values was used for the estimation of block grades. P&E considers this to be a robust methodology appropriate for estimating the TPW Property mineral resources. During block estimation, between four and twelve composites from two or more drill holes were selected, with the search ellipse for sample selection aligned to the overall orientation of the constraining mineralization domain. Composite data used during estimation were restricted to samples located in their respective domain.

Resource Classification

Mineral resources were estimated and classified in compliance with guidelines established by the Canadian Institute of Mining, Metallurgy and Petroleum. Mineral resource classification was implemented by generating three-dimensional envelopes around those parts of the block model for which the drillhole spacing and grade estimates met the required continuity criteria. The resulting classifications were iteratively refined to be geologically reasonable in order to prevent the generation of small, discontinuous areas of a higher confidence category being separated by lower confidence areas.

Indicated resources were defined based on the 30 metre range modeled from the variography, and then consolidated into an envelope digitized around the central area of the blocks estimated. This process downgraded scattered and isolated higher confidence blocks and combined Indicated mineral resources into a continuous unit, and upgraded scattered and isolated Inferred mineral resources surrounded by higher confidence blocks. All remaining blocks estimated were classified as Inferred. The classification process resulted in a total of 209,094 grade blocks being coded as Indicated and 168,595 as Inferred.

Mineral Resource Estimate

The resource estimate was derived from applying an Au cut-off grade to the block model and reporting the resulting tonnes and grade for potentially mineable resources. Near-surface resources are constrained within an optimized conceptual pit-shell that utilized Inferred and Indicated mineral resources. Underground mineral resources are reported outside of the pit shell.

The following calculation demonstrates the rationale supporting the Au cut-off grade that determines the underground and open pit potentially economic portions of the mineralization.

Mineral Resource Estimate Au Cut-Off Grade Calculation CDN$

Au Price	US$1,638/oz
$US/$CDN Exchange Rate	1:1
Au Recovery	95%
UG (underground) Mining Cost (open pit) Mining Cost	$70/tonne mined OP $2.00/tonne mined
Process Cost (2,000 tpd)	$10.00/tonne milled
General & Administration	$5.00/tonne milled

Therefore, the Au cut-off grade for the underground resource estimate is calculated as follows:

Operating costs per ore tonne = ($70 + $10+ $5) = $85/tonne [($85)/[($1,638/oz/31.1035 x 95% Recovery)] = 1.70 g/t

The Au cut-off grade for the open pit resource estimate is calculated as follows:

Operating costs per ore tonne = ($10+ $5) = $15/tonne [($15)/[($1,638/oz/31.1035 x 95% Recovery)] = 0.30 g/t

TPW PROPERTY MINERAL RESOURCE ESTIMATE AT JULY 1, 2013(1-4)			
Open Pit. Cutoff = 0.30 g/t Au	**Tonnes**	**Grade**	**Au ozs**
Indicated	4,283,000	1.55	213,000
Inferred	1,140,000	2.09	77,000
Underground. Cutoff = 1.70 g/t Au	Tonnes	Grade	Au ozs
Indicated	4,420,000	2.79	396,000
Inferred	5,185,000	2.36	393,000
Open Pit + Underground	Tonnes	Grade	Au ozs
Indicated	8,703,000	2.17	609,000
Inferred	6,325,000	2.31	470,000

(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, although Explor is not aware of any such 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.

(3) The mineral resources were estimated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) Values in the table may differ due to rounding.

Confirmation of Estimate

As a test of the reasonableness of the mineral resource estimate the average model block grade was compared to a Nearest Neighbour ("NN") block average as well as to the average of the composite data. The block average is the average grade of all blocks within the mineralized domains.

COMPARISON OF COMPOSITE GRADES WITH TOTAL BLOCK MODEL AVERAGE GRADES	
Data Type	**Au (g/t)**
Uncapped Composite Average	1.95
Capped Composite Average	1.85
Block Model Average	1.76
NN Model Average	1.90

The comparison table above shows the average grade of all the Au blocks in the constraining domains to be somewhat lower than the weighted average of the composites used for grade estimation. This is due to the localized clustering of some higher grade assays which were smoothed by the block modeling grade interpolation process. The block model Au values will be more representative than the capped assays or composites due to the block model's three-dimensional spatial distribution characteristics. In addition, a volumetric comparison was performed with the block model volume of the model blocks versus the geometric calculated volume of the domain solids:

- Block Model Volume = 9,630,000 m3
- Geometric Domain Volume = 9,631,000 m3

Interpretation and Conclusions of 2013 Technical Report

Drilling by Explor has shown that the mineralized shear-zones in the QFP extend for 1,975 m along strike and to depths up to 900 m. Mineralization occurs in several parallel 70 to 80o north dipping "veins" that occur within a zone that is approximately 750 m wide. Mineralized intercepts are generally associated with altered and sheared quartz feldspar porphyry and are typically 1 to 18 m wide with an average width of 3.5m. The TPW Property porphyry-hosted gold mineralization resembles that of the Hollinger and McIntyre gold mines, located approximately 15 km to the east, and is characterized by chalcopyrite- pyrite stringers and veins, and quartz-tourmaline veins, hosted by altered and sheared quartz-feldspar porphyry.

P&E has evaluated drilling procedures, sample preparation, analyses and security and is of the opinion that the core logging procedures employed, and the sampling methods used were thorough and have provided sufficient geotechnical and geological information. The Authors consider the data to be of good quality and satisfactory for use in a resource estimate. P&E compared independent sample verification results versus the original assay results for gold and the P&E results demonstrate that the results obtained and reported by Explor were reproducible.

The resource estimate is based on a database consisting of a total of 325 drill holes. Based on estimated operating costs and gold recovery, a trailing average gold price of US$1,638/oz and an exchange rate of US$1.00=CDN$1.00, in-pit and underground cut-offs were 0.30 g/t Au and 1.70 g/t Au respectively. In order for the constrained open pit mineralization in the resource model to be considered potentially economic, a first pass Whittle 4X pit optimization was carried out to create a pit shell for resource reporting purposes. Mineralization is estimated to have a density of 2.85 tonnes/m3

The resulting resource estimate for the TPW Property includes: In-Pit Indicated Resources of 4,283,000 tonnes at a grade of 1.55 g/t Au for 213,000 contained oz gold; In-Pit Inferred Resources of 1,140,000 tonnes at a grade of 2.09 g/t Au for 77,000 oz; out of pit potential underground Indicated Resources of 4,420,000 tonnes at a grade of 2.79 g/t Au for 396,000 contained oz; and out of pit potential underground Inferred Resources of 5,185,000 tonnes at a grade of 2.36 g/t for 393,000 contained oz. Total Indicated Resources are estimated to contain 609,000 contained oz and total Inferred Resources are estimated to contain an additional 470,000 contained oz.

The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. 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

Recommendation and Proposed Budget by P&E – 2013 Technical Report

P&E considered that the TPW Property contains a significant gold resource and merits further evaluation. P&E's recommendations include step out and infill diamond drilling, metallurgical testwork and a preliminary economic analysis (PEA).

P&E further considered that further diamond drilling should be directed primarily to expanding the resource and particularly to testing the mineralization on the north limb of the proposed synclinal fold structure. Lesser emphasis should be directed to upgrading Inferred Resources until such time as the extent of the deposit is better understood.

P&E recommended that a PEA should be completed. This will also enable the potential open pit mineralization versus potential underground mineralization to be optimized. Prior to initiating a PEA, metallurgical test work is warranted to evaluate optimum grinding and recovery parameters.

A proposed $6,512,000 program is recommended and detailed in the following table.

RECOMMENDED PROGRAM AND BUDGET			
Program	**Units (m)**	**Unit Cost ($/m)**	**Budget**
Step out Drilling – 40 holes (avg. 500 m)	20,000	$150	$3,000,000
Infill Drilling – 20 holes (avg. 750 m)	15,000	$150	$2,250,000
Assays	10,000	$30	$300,000
Metallurgical Testwork	1		$120,000
Preliminary Economic Analysis	1		$250,000
Subtotal			**5,920,000**
Contingency @ 10%			592,000
Total			**$6,512,000**

No Technical Reports After 2013

After the date of the 2013 Technical Report, and excluding Teck expenditures on the TPW Property, from June 2013 to October 2019, Explor spent an aggregate amount of $2,510,419 on the TPW Property. Out of these expenditures, an amount of $1,026,508 was incurred in drilling. No new technical reports have been prepared.

DESCRIPTION OF THE CHESTER PROPERTY (Northumberland County - New Brunswick)

The description of the information below on the Chester Property was taken from Robert Sim, P.Geo, dated April 16, 2014 and effective March 7, 2014. Mr. Sim is an independent consultant, who served as the Qualified Person responsible for preparing the Technical Report, as defined in National Instrument 43-101, Standards of Disclosure for Mineral Projects (NI 43-101), in compliance with Form 43-101F1 (the "**Chester Technical Report**"). **Starting on Page C-41, information is provided about exploration and acquisitions since March 2014, the date of the Chester Technical Report by Explor**.

Property Description And Location

The Property, under option by Explor, is situated in Northumberland County, 70 km southwest of the city of Bathurst, NB and 50 km west-northwest of the city of Miramichi, NB near the centre of NTS Map sheet 21 O/01 in northern New Brunswick (Figure 4-1). The Property is located in the south part of the Bathurst Mining Camp and comprises the four claim groups (1571, 2428, 6003, and 6005) shown in Figure 4-2, and consists of 114 contiguous mineral claim units (Figure 4-3), all of which are on Crown Lands (i.e., owned by the Province of New Brunswick). The Property covers a total area of approximately 2,508 hectares. The Heath Steele Mine, which shut down in 1999 due to depletion of ore reserves, is located 24 km northeast of the Property. The Brunswick No. 12 Mine, located 49 km northeast of the Property, produced copper, lead, zinc, and silver over a 48 year period prior to closing in March 2013. On February 28, 2013, Explor announced that they had entered into an agreement with Earnest Brooks of Bathurst, NB to acquire 75 contiguous mineral claim units which now comprise claim groups 6003, 1571, and 2428. Explor agreed to pay $150,000 and issue 6,500,000 common shares over a three-year period for an option to acquire 100% interest in the Chester Copper Property. Mr. Brooks has retained a 1% Net Smelter Return (NSR) royalty in the Property. There is also an additional 1% NSR royalty associated with claim group 1571 retained by Northeast Exploration Services Ltd. (Northeast Exploration) and Bathurst Silver Mines Ltd. (Bathurst Silver Mines), both of Bathurst, NB. On April 10, 2013, Explor announced that they had acquired an additional 39 mineral claim units comprising claim 6005 from a prospecting group in the City of Miramichi, NB, consisting of Mr Frank Ross, June Ross, Mr Anthony Johnston and Mr Delbert Johnston (Figures 4-2 and 4-3). Explor agreed to pay the prospecting group $30,000 and issued 750,000 common shares for an option to acquire 100% interest in the additional claims. The prospecting group retains a 2% NSR royalty on claim group 6005. Between February 2012 and February 2014, Mr. Brooks filed several assessment reports describing exploration (prospecting) activities on the Property, including line-cutting, soil sampling, geologic mapping, and geophysics (Mag and VLF). The Property appears to be in good standing as of the date of this Technical Report

Accessibility, Climate, Infrastructure And Physiography

Elevation on the Property varies between 300-m and 450-m above mean sea level (amsl). Relief is quite high throughout the Property with the lowest parts being the steep and deeply cut valley of Clearwater Stream. The elevation of the portal on the Northeast Claims is about 330-m amsl. On the west side of the main access road there is a very thick area of gravel that has a relief of about 50-m. This area has been developed as a gravel pit and is active on an as-required basis, mostly by the local lumbering companies. For the most part, it appears from previous mapping that the Property is overlain by a variable thickness of glacial till and gravel. The thickness can be as little as 0.5-m and up to 50-m. Historical geological mapping by early geologists was concentrated in the stream valleys of the area. Topographic maps indicate that stream valleys have quite steep sides. More recent mapping has been completed in both the stream valleys and in logging roads, which also seem to expose a lot of bedrock, indicating shallow depths of overburden. The highest point on the Property is in the northwest corner, and the lowest point is in the Clearwater Stream valley near the centre. Vegetation consists of boreal forest (e.g., spruce, balsam fir, etc.), although it is estimated that more than 35-60% of this has been clear-cut since about 1980, and a large part of that has been replanted and/or thinned. The Property is 50 km west-northwest of the City of Miramichi. It is accessible via roads from the City of Miramichi by way of Sunny Corner and south of the Big Sevogle River. Access in the summer months is readily available by car or truck. A bridge on the main haulage road crosses the Clearwater Stream over the Copper Stringer Zone was removed at the end of September, 2012. It had been installed by a logging company on the main log-haulage road. A logging road crosses above parts of the massive sulphide deposits. A number of other logging roads provide access throughout the Property from the main road. Access to the west side of Clearwater Stream is from the south and to the east side, and portal area, is from the east through a series of recently opened logging roads of Hwy 430. The main CNR railroad line from Moncton to Quebec and Western Canada passes through the City of Miramichi and Bathurst. Snow cover in the project area is normal from November or December through to April. Most exploration work, with the exception of geological mapping, prospecting, and trenching can be carried out throughout the year, although, typically, little field work is carried out during spring break-up. A power line is located about 30 km to the east of the Property servicing residents of Red Bank and the community of Sunny Corner. Another power line that services the Heath Steele Mine area is about 22 km northeast of the Property. The Property lies within the surface watershed of the South Branch of the Big Sevogle River, which is a tributary to the Northwest Miramichi River drainage system. Clearwater Stream is a moderate-sized stream that runs through the middle of the Property and drains into the Big Sevogle River about 7 km downstream from the centre of the Property. The Northwest Miramichi River is a major salmon spawning river. The Heath Steele Mine, located 24 km northeast of the Property, operated from 1957 to 1999 (with occasional shut-down periods) and processed approximately 25 million tonnes of VMS ore at its on-site concentrator. Mining has been a major industry in the Bathurst and Miramichi areas since the mid-1960s and experienced personnel are available locally.

History

The Chester deposit was detected by an airborne electromagnetic survey flown by Kennco Explorations (Canada) Ltd. (Kennco) in 1955. Ground follow-up included geological mapping, which identified disseminated sulphides in outcrop along Clearwater Stream, and a Slingram electromagnetic survey which located the Chester deposit. Two holes were drilled in September 1955 using a packsack diamond drill, and both holes intersected massive sulphides. Ground acquisition, grid cutting, and magnetometer and electromagnetic surveys followed. Diamond drilling (C-series holes) resumed in January 1956 (Black, 1957), and, by the end of 1956, 100 holes had been completed. In 1959, the Kennco property was sold to Chesterville Mines Limited (Chesterville Mines) and drilling continued until 1960, mainly on the eastern part of the Chester deposit. Newmont Mining Corp. of Canada Ltd. optioned the property from Chesterville Mines in 1963 and drilled three holes north of the deposit. The Sullivan Mining Group Ltd. (Sullivan Mining Group) optioned the property in 1966 and formed a new company, Sullico Mines Limited (Sullico), which attempted to develop the Chester deposit. Sullico drilled more than 400 holes (S-series holes) to delineate the deposit and further explored the property. In 1970, the Sullivan Mining Group acquired 100% interest in the Chester Property. When initial plans for open pit mining were abandoned, Sullico drove a 470-m decline in 1974-75 in order to explore the Copper Stringer Zone (i.e., Chester West Zone) and confirm diamond drill Indicated grade and tonnage, as well as check rock competency and water flows for a potential underground mine operation. There were 35,000 tons grading 2.06% Cu reportedly taken from underground. Results of the underground investigation were apparently favourable and the grade of the underground material was above the diamond drill Indicated grade of 1.58% Cu (Boylan, 1976). Further development was postponed, reportedly due to low copper prices, and the project was later abandoned.

In 1992, Teck Exploration Ltd. (Teck), through an option with Brunswick Mining and Smelting Corporation Ltd. (Brunswick Mining and Smelting), began exploration work on the Chester Property with stream and lithogeochemical sampling programs, VLF-EM, and magnetometer and TDEM surveys. In 1993, Teck drilled two holes well outside the area of the known VMS and Copper zones testing anomalous geophysical results which intersected thin zones of massive sulphides. In 1997, Teck, while exploring for new deposits close to Chester, conducted an IP survey and followed up with drilling also well outside the known area of the VMS and Copper zones, but had no significant results. During the period from 1998 to 2000, Black Bull Resources Ltd., under an option with Teck, conducted surface sampling, geophysical surveys, and minor diamond drilling in the Chester deposit area, but had no significant results. In 2002, four claims contained within claim blocks 1571 and 2428 were optioned from Northeast Exploration and Bathurst Silver Mines, respectively, by Mr. Brooks, and then optioned to FNR in 2003; this is referred to as the “Brooks Option”. In March 2003, FNR entered into an option agreement with Teck for claim block 2186, which included the 97 claim blocks that surround the claims in the Brooks Option.

During the period from 2002 to 2007, FNR drilled a total of 198 holes on the Property. The majority of this work was concentrated on the near-surface Copper Stringer Zone, as FNR had intentions to put the Project into operation. In May 2008, FNR released a

Technical Report for the Stringer zone that included Measured and Indicated resources, at a 2% Cu cut-off limit, of 284,000 tonnes at 2.78% Cu, 0.13% Zn, and 7.3 g/t Ag, plus Inferred resources of 298,000 tonnes at 2.51% Cu. This was planned for underground extraction methods and the cut-off threshold of 2% Cu was considered appropriate for that time. In 1973, the following historical resources were reported by Sullivan Mining Group:

- East Zone – 0.5 million tonnes of massive and disseminated sulphide grading 0.78% Cu, 0.36% Pb, and 1.14% Zn.
- Central Zone – 1.1 million tonnes of massive sulphide grading 0.47% Cu, 0.90% Pb, and 2.22% Zn.
- West Zone (Copper Stringer Zone) – 15.2 million tonnes of disseminated and stringer sulphides grading 0.78% Cu. The West Zone includes 3.4 million tonnes grading 1.58% Cu.

There is no information regarding the method or parameters used to calculate these historic resource estimates, and the cut-off limits are not known. These resource estimates were calculated more than 40 years ago and do not comply with the guidelines of NI 43-101 and should not be considered reliable.

Geological Setting And Mineralization

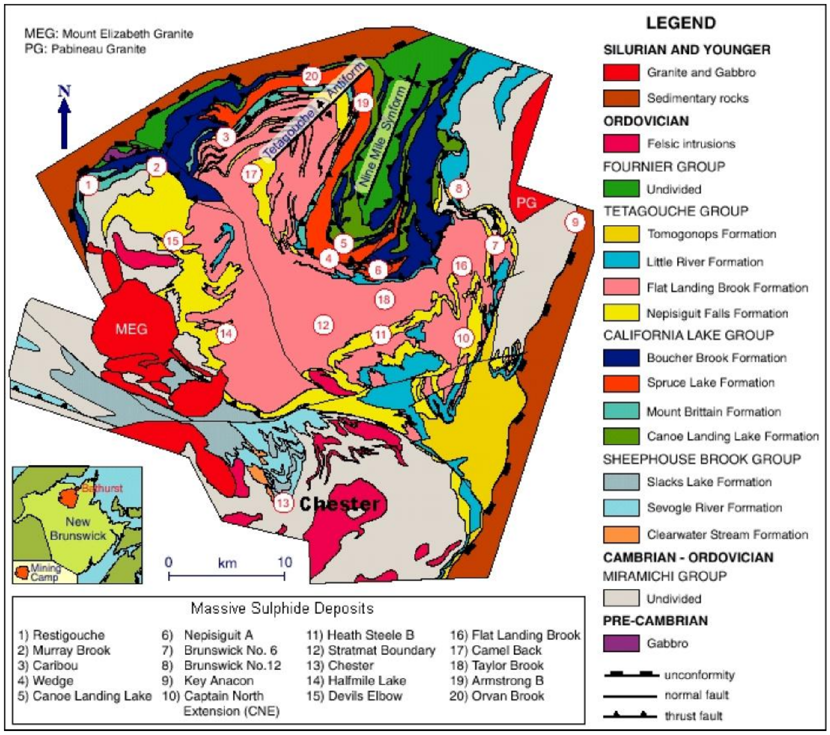
The Chester Property is within the Bathurst Mining Camp, which is considered to be a world-class base metal mining district (Figure 7-1). The Bathurst Mining Camp stratigraphy is comprised of an Ordovician sequence of felsic and mafic volcanic rocks and sedimentary rocks, which overlie the Cambrian to Lower Ordovician Miramichi Group. A major east-west-trending high-strain zone (Moose Lake-Tomogonops/Mountain Brook fault system) in the south part of the Bathurst Mining Camp (Figure 7-2) divides it into northern and southern structural and stratigraphic domains (Wilson and Fyffe, 1996). The Chester deposit is situated in the southern domain. Figure 7-3 shows a schematic representation of the tectonostratigraphic subdivisions of the Bathurst mining Camp.

The Miramichi Group, in ascending stratigraphic order, is comprised of the Chain of Rocks, Knights Brook, and Patrick Brook formations. The Chain of Rocks Formation comprises fine- to coarse-grained, light greenish grey, quartzose sandstone with some interbedded light to dark greenish grey shale. The Knights Brook Formation is comprised of interbedded quartzose sandstone, siltstone, shale, and quartzose wacke. The shale is commonly pyritic and is locally graphitic. The Patrick Brook Formation contains dark grey to black shale and dark grey volcaniclastic wacke that commonly contains clear quartz and/or plagioclase phenoclasts. The Miramichi Group is conformably to disconformably overlain by the Tetagouche Group which comprises, in ascending order, the Nepisiguit Falls, Flat Landing Brook, Little River and Tomogonops formations. The Tetagouche Group hosts most of the Bathurst Mining Camp base metal massive sulphide deposits.

The Nepisiguit Falls Formation consists of massive, quartz-feldspar porphyritic (2-15 mm) tuff lava, and medium- to coarse-grained, granular, quartz-feldspar-rich volcaniclastic rocks with minor intercalated ash tuff. The volcaniclastic rocks near the top of the unit are commonly interbedded with light to dark greenish grey, chloritic mudstone that is locally iron-rich and constitutes the “Brunswick Horizon”. There are three other mappable units, which are assigned to the Nepisiguit Falls Formation and include the Lucky Lake, Little Falls, and Vallee Lourdes members. The Lucky Lake Member consists of felsic ash tuff, lapilli tuff and minor quartz-phyric tuff. The Little Falls Member comprises greenish grey ash tuff and fine- to medium-grained quartz-feldspar-phyric volcaniclastic rocks interbedded with dark greenish grey to black shale. The Vallee Lourdes Member comprises a thin unit of nodular to siliciclastic limestone, calcareous sandstone and siltstone, which disconformably overlies the Miramichi Group.

The Flat Landing Brook Formation consists of feldspar-phyric (+/- quartz) rhyolite flows, hyaloclastic, pyroclastic rocks and minor sedimentary rocks, including some iron formation. Phenocrysts are small (1-3 mm) and constitute less than 10% of the rock. There are three other mappable units assigned to the Flat Landing Brook Formation, which include the Moody Brook, Forty Mile Brook, and Roger Brook members. The Moody Brook Member consists of fragmental pyroclastic rocks which contain felsic clasts in a greenish grey to greenish black matrix of mixed intermediate to mafic composition grading upward into mafic lavas. The Forty Mile Brook Member comprises tholeiitic pillow basalt flows and associated diabase and gabbro. The Roger Brook Member consists of felsic crystal lithic tuff and minor rhyolite.

Mafic volcanic and associated sedimentary rocks of the Little River Formation conformably overlie the Flat Landing Brook Formation. Sedimentary rocks include shales interstratified with siltstone and volcaniclastic sandstone. Two other mappable units, the Brunswick Mines and Beresford members, are also included in the Little River Formation. The Brunswick Mines Member comprises massive to pillowed basalt, breccia, hyaloclastite and interflow sedimentary rocks, including chert and red metalliferous shale. The Beresford Member consists of alkalic basalt interlayered with black shale.



The Tomogonops Formation consists of light grey, thinly bedded, commonly calcareous siltstone (+/- limestone) and fine-grained sandstone.

The California Lake Group occurs in a different structural nappe than the Tetagouche Group, but is considered to be approximately coeval with the Tetagouche Group. The Canoe Landing Lake, Mount Brittain, Spruce Lake and Boucher Brook formations comprise the California Lake Group. The Canoe Landing Lake, Mount Brittain and Spruce Lake formations are overlain by the Boucher Brook Formation and therefore considered to be more or less contemporaneous.

The Canoe Landing Lake Formation consists of alkali basalt with intercalated red shale, chert and rare felsic volcanic rocks. Three other mappable units within the Canoe Landing Lake Formation include the Nine Mile Brook, Orvan Brook and Spruce Lake members. The Nine Mile Brook Member consists of tholeiitic pillow basalt with intercalated alkali basalt, red shale and chert. The Orvan Brook Member includes basalts which are transitional between alkalic and tholeiitic. The Spruce Lake Member consists of feldspar-phyric, locally amygdaloidal rhyolite.

The Mount Brittain Formation consists of feldspar crystal-lithic tuff that overlies aphyric to sparsely feldspar-phyric dacitic lava. This formation conformably overlies the Patrick Brook Formation and is overlain by the Boucher Brook Formation. The Charlotte Brook Member of the Mount Brittain Formation is a transitional unit overlying the Patrick Brook Formation and is predominantly a sedimentary sequence of shale and siltstone with local thin tuff beds.

The Spruce Lake Formation consists of feldspar-phyric felsic lavas, autobrecciated lavas and pyroclastic rocks, including polymictic fragmental rocks and crystal tuff with minor mafic volcanic rocks, and also includes a fine-grained sedimentary unit. Two other mappable units within the Spruce Lake Formation are the Canoe Landing Lake and Shellalah Hill members that consist of tholeiitic mafic volcanic rocks, and quartz-feldspar-phyric rhyolite and crystal tuff, respectively.

The Boucher Brook Formation consists of thinly bedded, bluish grey siltstone and greenish black shale with minor amounts of fine- to medium-grained quartz wacke. The Camel Back Member consists of massive and pillowed basalt in the lower part and shale and minor limestone in the upper part.

A high strain zone, which represents a ductile thrust, defines the contact between the California Lake Group and the Fournier Group. The Fournier Group is divided into the Sormany and Millstream formations. The Sormany Formation consists of pillow basalt and minor gabbro and the Millstream Formation comprises lithic and feldspathic wacke and shale with minor intercalated limestone and basalt.

In the southern part of the Bathurst Mining Camp, Miramichi Group sedimentary rocks are overlain by volcanic and associated sedimentary rocks of the Sheephouse Brook Group. Ordovician and Devonian felsic intrusives are common in this area. The Moose Lake - Tomogonops Fault and the Mountain Brook Fault separate the Sheephouse Brook Group from the Tetagouche Group to the north. According to Wilson, et al. (1999), the petrographic and geochemical diversity of the Tetagouche and Sheephouse Brook groups suggests that the formations were emplaced in separate basins and derived from separate magma sources. The Sheephouse Brook Group consists of the Clearwater Stream, Sevogle River, and Slacks Lake formations, in ascending stratigraphic order.

The Clearwater Stream Formation consists of medium to dark green, strongly foliated plagioclase-phyric volcanic rocks of dominantly dacitic composition that overlie the Patrick Brook Formation (Miramichi Group). Muscovite and biotite (partially altered to chlorite) define the schistosity, and porphyroblasts of carbonate are characteristic of the unit. Primary volcanic structures and textures have generally been destroyed by structural and metamorphic (i.e. up to biotite grade) overprinting, however the high abundance of plagioclase crystals and crystal fragments (10 to 45%), and local rare bedding indicate pyroclastic emplacement (Wilson and Fyffe, 1996). In the past the contact of the Clearwater Stream Formation with the underlying Patrick Brook Formation has been interpreted as highly strained and also interpreted as a thrust (MacNaughton Pool) Fault (Wilson and Fyffe, 1996). As well local subordinate rhyolites were also noted to be present in the Clearwater Stream Formation.

The Clearwater Stream Formation is overlain by the Sevogle River Formation which consists of light greenish grey to greyish pink, massive to well-foliated, potassium-feldspar-phyric rhyolite (Wilson and Fyffe, 1996). Feldspar phenocrysts range from 0.2 to 2.0 mm and may constitute up to 15% of the rock. Local intercalated sedimentary rocks occur within the Sevogle River Formation, including dark grey siltstones and shales, minor carbonaceous shale and rare lenses of crystalline limestone. Substantial differences in ages had previously been determined for the Sevogle River (466 +/- 2 Ma) and Clearwater Stream (478 +3/-1 Ma) formations that lead to the suggestion that a depositional hiatus or tectonic break exists between the formations (Wilson et al., 1999). FNR did two age determinations on core samples from the Clearwater Stream Formation intersected in Drill core in holes C-04-015 and in CNW-04-001 in 2004. The results yield an age of 469 +/- 0.3 Ma for each sample. As a result the New Brunswick Department of Natural Resources, Geological Surveys Branch (NBDNR, GSB) asked the GSC to redo the previous age dating. However, the sample was lost and NBDNR-GSB took another sample from their type section for Clearwater Stream and had it checked. That sample confirmed the results of FNR of 469+/- 0.3 Ma. This new data places the Clearwater Stream Formation at the same age as the Nepisiguit Falls Formation and therefore the same age as the stratigraphic unit that hosts the majority of the massive sulphide deposits in the Bathurst Mining Camp, and places the Chester VMS deposit in the same time frame as the biggest VMS deposits in the camp. Age dating indicates that the Sevogle River Formation is coeval with the Flat Landing Brook Formation (465 +2/-1 Ma) of the Tetagouche Group. The Sevogle River Formation is conformably overlain by the Slacks Lake Formation, which consists of basalt with interbedded sedimentary rocks and minor comendite. Sedimentary rocks include dark grey, locally graphitic, shale, and red and green chert. Chemical similarities between felsic volcanic rocks and felsic intrusive rocks in the Chester area suggests that rocks of the Clearwater Stream and Sevogle River formations may be the volcanic counterparts of, respectively, the Squirrel Falls Porphyry and the Clearwater Lake Porphyry.

The work by FNR from 2003 to 2008 has shown that there are numerous layers of Rhyolite in the Clearwater Stream Formation. Because of the flat nature of the rocks and stratigraphy in this area of the Bathurst Mining Camp along with the general thick glacial and vegetation cover most of the lithologies have been blind and are only visible and identifiable in drill core. Whereas there had not been any regulations prior to the proclamation of the present Mining Act in July of 1986 regarding the disposal and storage of drill core, all the core drilled in this area of the BMC before July, 1985, has been lost. For example, the 110,000 feet (33,500 m) of historical drilling on the Chester deposit area from 1956 to 1968 has all been lost. It was found in 2003 at the site of the old core shed as noted on old maps of the area. However the core had been dumped many years ago and it formed two mounds about 30-m long along where the edge of the core racks, from the old maps of the area, should have been. For this reason none of the old drill core was ever available for study by recent workers. Also the initial drill logs of the 50's and 60's had very poor descriptions of the rock units and had identified the basal footwall rock unit of the mineralized zone as a quartzite. That "quartzite" was used as a marker horizon and at about 10 ft (3 m) into it the drill holes were stopped. That unit has now been renamed as a Rhyolite (by rock chemistry and thin sections by NBDNR-GSB geologists as well as by visual). This, along with the age dating by FNR has changed the interpretations of the local geology tremendously from the previous interpretations and as such has also significantly enhanced the exploration potential of this area of the BMC. As well FNR had drilled several holes well past the traditional basal footwall marker horizon (aka the quartzite and now identified as a Rhyolite) of the Copper Stringer Zone and has found new copper stringer mineralization in the lower units below the rhyolite. The deepest holes drilled by FNR is No. P1 and P1x which was collared just south of the underground drift portal and drilled to a vertical depth of 608 m, the capacity of the drill used, and stopped in rhyolites and other felsic volcanics but still failed to intersect the Miramichi Group sedimentary package, the footwall rocks, or basement rocks, of the BMC, by definition. This hole confirmed that the felsic package in this part of the BMC is much thicker than previously thought, thereby enhancing the Exploration potential of the Chester area dramatically. Because the stratigraphy if this area is very flat-lying, then any new massive sulphide zone will most likely be blind and will be found by geology and by drilling.

Structure

Five generations of folds (i.e., F1 to F5) have been interpreted in the Bathurst Mining Camp, based on overprinting relationships. The earliest deformation (D1) which produced tight to isoclinal, steeply inclined to recumbent, non-cylindrical folds (F1) also resulted in the development of high strain zones which may crosscut the stratigraphy and represent major thrust faults. During the second deformation (D2), tight to isoclinal folds (F2) developed with generally shallow plunges and reoriented the stratigraphy into a near-vertical attitude. Local interference of F1 and F2 structures resulted in steep to shallow plunge variations. During the latter stages of D2, a series of thrust faults developed which are interpreted to form the boundaries of major nappes. These early periods of deformation (D1 and D2) are responsible for most of the complex geometry of the Bathurst Mining Camp. The D1 and D2 structures were reoriented by open to tight, recumbent folds (F3). In areas where D3 was more intense, such as the southern structural/stratigraphic domain, the F3 folds reoriented the stratigraphy to shallow-dipping attitudes. Later folds (F4 and F5) are generally open structures, which refolded earlier structures and produced dome and basin structures. Recent work suggests that the Chester area may not be a recumbent fold structure. Rock, interpreted to be Clearwater Formation, have been intersected in several deep drill holes located near the underground Portal.

Property Geology

Historically, older sedimentary rocks of the Miramichi Group have been interpreted as occupying the west and south parts of the Property and have also been interpreted as being overlain by mafic and felsic volcanic rocks of the Sheephouse Brook Group which occupy the central to northeast part of the Property (Figure 7-2). This interpretation may now be in question based on more recent work by FNR, E. Brooks and, currently on-going, by Explor. In the area north of the Chester deposit, the Sheephouse Brook Group is interpreted to occupy the core of a northerly shallowly plunging F4 fold and as being underlain by sedimentary rocks of the Patrick Brook Formation (Miramichi Group) (Figures 7-4 and 7-5). The axial surface of an earlier fold (F1 or possibly F2) is interpreted to have a shallow westerly dip in the deposit area (Figure 7-5). The Sheephouse Brook Group is bounded to the east by a thrust fault and several northwest-southeast trending fault zones are interpreted in the area. Dacitic tuffs of the Clearwater Stream Formation form the base of the Sheephouse Brook Group on the Property, and are overlain by rhyolite flows of the Sevogle River Formation. Mafic volcanic rocks of the Slacks Lake Formation overlie the Sevogle River Formation and are found in the northeast part of the Property. As stated above, recent work suggests some re-interpretation of the geology of the Chester Property. Rather than isoclinal folding, there are indications that the presence of potentially mineralized Clearwater Stream formation rocks, located above the Patrick Brooks sediments in the western part of the property, is the result of thrust faulting. Explor plans to continue to evaluate the geologic interpretation of the Chester Project.

Mineralization

The Chester deposit consists of the West, Central, and East Zones (Figure 10-1). The East Zone is flat-lying, exposed at surface, and overlain by up to 7.5-m of gossan and glacial sediments. It consists of intermixed massive and disseminated sulphides (50% average), which are mainly pyrite, and varies in thickness from 3-m to 15-m. The massive sulphide zone is 60-m wide and 300-m long and the disseminated mineralization covers an area up to 220-m wide by 450-m long. The Central Zone is also exposed at surface and is overlain by 1 to 15-m of gossan and overburden. It consists of both massive sulphide (mainly pyrite) and disseminated sulphide mineralization, varies from 4-m to 13-m thick, and plunges gently to the west. The massive sulphide zone is 130-m wide and 200-m long and disseminated mineralization covers an area up to 300-m by 350-m. The dominant minerals in the massive sulphide zones are pyrite, pyrrhotite, sphalerite, chalcopyrite, and galena (Irrinki, 1986). Zonation is evident in the massive sulphide lenses with copper-rich, lead/zinc-rich, lead/zinc/copper-rich zones, and pyrite or pyrrhotite zones with minor base metal mineralization. The West Zone (or Copper Stringer Zone) consists of 5% to 10% stringer and disseminated sulphide (mainly chalcopyrite and pyrrhotite) and extends to the west from the Central Zone. Mineralization is concentrated in three (or more) zones contained within a 75-m thick section of quartz-chlorite schist that dips 15-20° to the west. The West Zone covers an area up to 300-m wide and 1,000-m long. Mineralization in the Stringer zone consists of, in order of relative abundance, chalcopyrite, pyrrhotite, pyrite, with minor amounts of galena and sphalerite occurring in a host rock of quartz chlorite schist.

Deposit Types

The Chester sulphide deposits are interpreted to be volcanogenic massive sulphide (VMS) deposits and associated feeder or Stringer-zone sulphide mineralization. The Chester deposit is one of more than 30 known VMS deposits in the Bathurst Mining Camp, which include the world class Brunswick No. 12 deposit. As of closure in March, 2013, the Brunswick No. 12 mine produced a total of 136,600,000 tonnes of ore at a grade of 8.74% Zn, 3.44% Pb, 0.37% Cu, and 102.2 g/t Ag. The Brunswick No. 6 Mine, on the same stratigraphic horizon, produced about 12 million tonnes of ore from open pit and underground operations. VMS deposits in the Bathurst Mining Camp occur at various stratigraphic positions, and deposits are known to occur in the Tetagouche Group, California Lake Group, and the Sheephouse Brook Group (McCutcheon, et al., 2001). VMS systems develop from the heat from a subvolcanic intrusion which drives metal-bearing hydrothermal fluids along fault/fracture zones. The metals are deposited both on the seafloor as VMS deposits, and in the subsurface feeder zone as disseminated and stringer mineralization (Figure 8-1). The

VMS deposits are stratabound, commonly stratiform, and typically associated with felsic volcanic rocks. They may contain varying concentrations of pyrite, pyrrhotite, sphalerite, galena, chalcopyrite, and tennantite-tetrahedrite, as well as other sulphide and sulphosalt phases (Thomas, et. al., 2000). Zonation of the sulphides is often present. At Brunswick No. 12, the footwall is comprised of pyrite with variable amounts of pyrrhotite and chalcopyrite; overlain by banded pyrite, sphalerite, and galena, with minor chalcopyrite and pyrrhotite; overlain by massive pyrite with some layers/lenses of sphalerite and galena; and, overlain by oxide (magnetite-hematite and iron-rich chlorite) iron formation (McCutcheon, et al., 2001).

The feeder zones associated with VMS deposits are characterized by intense alteration and disseminated and Stringer sulphide mineralization. The Copper Stringer Zone of the Chester deposit is considered to be a feeder zone associated with the volcanogenic massive sulphide lenses of the Chester deposit. This is supported by the occurrence of talc, sericite, silicification, intense chlorite alteration, and disseminated and stringer chalcopyrite, pyrrhotite (+/- pyrite) in the Copper Stringer Zone. As a result of the intense polyphase deformation in the Bathurst district, the feeder zones are often transposed into the S1 or S1/S2 schistosity such that they are now sub-parallel to the massive sulphide lenses (Thomas, et al., 2000). Franklin (1981) illustrated similar deformation of a VMS deposit and associated feeder zone as shown in Figure 8-1. This is apparently the case with the Copper Stringer Zone at Chester which is sub-parallel, or at a low angle, to the orientation of the massive sulphides. However, it is important to note that three generations of tight to isoclinal folds (F1, F2, and F3) and later open folds (F4, +/- F5) have also had an impact on the structure of the Chester deposit.

Exploration

This section summarizes exploration activities on the Property since FNR became involved in the project in 2003. Previous exploration is summarized in *Section 6 History* of this report. FNR drilled a total of 13 holes in 2003, primarily testing the upper part of the Stringer zone mineralization (referred to as the West Zone) and parts of the VMS zone (referred to as the Central Zone). The results of this drilling confirmed the location, thickness, and grades present in the pre-FNR drilling data. Three holes (C-03-009, C-03-010, and C-03-011) were pushed to depths of up to 250-m (the capacity of the drill) and intersected felsic volcanics of the Clearwater Stream Formation rather than the expected Quartzites of the Miramichi Group. This finding provided evidence to support exploration potential within the favourable host stratigraphy below the Chester deposit. The felsic rocks below the Chester deposit contain local zones of copper-rich, Stringer-type mineralization such as hole C-03-010 which intersected 8.64-m of 1.56% Cu from 92.96-m to 101.60 m, including 3.40-m of 2.51% Cu with highly anomalous indium (In), bismuth (Bi), silver (Ag), gold (Au), and cobalt (Co). Higher up in this hole, from 72.54-m to 75.0 m, another zone returned 2.46-m of 2.80% Cu and 622 ppb Au.

In October 2004, Geotech Ltd. (Aurora, Ontario) (www.geotechairborne.com) was contracted to perform a VTEM survey on the Chester deposit area and the surrounding lands. A total of 675 line km covering 31 km^2 was flown with lines at 50-m intervals. A detailed interpretation was done by Condor Consulting of Lakewood, Colorado, USA the following year. The Chester VMS and Stringer zones were clearly shown in the survey, including several other anomalies located 2-3 km to the north. In 2004, a soil geochemical survey was also conducted over the Property. The results were consistent with the known mineralization at Chester and also produced several anomalous areas west and northwest of Chester. In the fall of 2004, a VTEM survey was conducted at the same time as the drilling program. The drilling program included two drill holes (C-04-014 and C-04-015) collared 600-m west of the limit of the current sulphide zone Indicated resources. These were following up on pre-FNR drill hole S-436 which reported 0.91-m of 2.30% Cu, 1.40% Pb, and 1.11% Zn at 315.15-m depth, followed by 23.16-m of 1.53% Cu, 1.64% Pb, and 0.94% Zn from 324.6-m to 347.76-m depth. Vertical drill hole C-04-014 deviated slightly to the south and intersected chloritic alteration with variable sulphides from 233.8-m to 339.5-m. A grade of 2.23% Cu over 1.3-m at 325.5 m, and 2.75-m at 1.84% Cu was intersected at 336.5 m, plus several other minor intervals. Drill hole C-04-015 was oriented to the south and intersected chloritic alteration from 319.7-m to 393.3-m but with only local sulphides. Although these two drill holes did not replicate the results in S-436, they did confirm the presence of the Chester Stringer zone for a total strike length of at least 800 m, and that the zone contained appreciable copper grades. In 2004, three additional holes were drilled to test the upper part of the Chester Stringer zone. Another two holes followed up a coincident VTEM/soil geochemical anomaly located 3.5 km northwest of the Chester underground portal. Both of these holes intersected felsic volcanics with local disseminated to semi-massive, pyrrhotite-pyrite with local chalcopyrite. Hole CNW-04-001 intersected up to 0.31% Cu over 0.9-m (from 3.0-m to 3.9 m), and CNW-04-002, located 70-m to the northwest of CNW-04-001, intersected 5.2-m (from 3.0-m to 8.2 m) grading 0.28% Cu at the top of the bedrock in the hole.

Follow-up mapping in the area of CNW-04-001 and CNW-04-002, and extending for approximately 1 km south, uncovered felsic volcanic rocks of the Clearwater Stream Formation in this area that were previously believed to host sedimentary rocks of the Miramichi Group. Many outcrops in this area are gossanous with visible pyrite and sericite alteration. This is a large area of favourable stratigraphy with the presence of hydrothermal alteration and sulphides. It remains a highly prospective exploration target. Samples taken from felsic volcanic rocks near the bottom of holes C-04-015 and CNW-04-001 were age-dated at Activation Laboratories Ltd. (Actlabs) using the lead/zirconium method. Both samples returned an age of 469+/- 0.3 Ma; this correlates with an age date obtained by the NBDNR on a surface sample taken from Clearwater Stream Formation rocks west of Chester. These results indicate that the Chester Property contains significant thicknesses of Clearwater Stream Formation rocks, over 580 m, which are known to host the deposits of the Bathurst Mining Camp. In the fall of 2006 and continuing through most of 2007, FNR concentrated its efforts on drilling the near-surface portion of the Stringer zone mineralization at Chester. The objective of this drilling was to evaluate the nature of the thickness, grade, and continuity of this part of the deposit in order to provide information with respect to planned, near-future mining activities. Several exploration drill holes were completed in 2007, including 2186-07-001 and 2186-07-002 which tested a geophysical anomaly approximately 700-m north of the underground portal. These holes intersected altered felsic volcanic rocks but with only rare traces of sulphides. Drill hole C-07-P1X was collared beside the underground portal and was extended to a final depth of 609-m. This hole intersected a series of felsic tuffaceous and rhyolitic rocks of the Clearwater Formation with local zones of sericite and/or chlorite alteration. Sulphides are rare in this hole, but the presence of alteration is encouraging. Since Explor acquired the Property in 2013, it has concentrated its exploration program on the west side of Clearwater Stream in an area that had not been explored since the 1950s. The 2013 grassroots exploration program included the following:

- Line Cutting or Grid Establishment: A total of 74.7 km of lines were cut and chained.
- Geological Mapping: The entire grid was walked and mapped in July and August 2014, searching for outcrops, boulders, and mineralization. Stream sediment samples were also taken as required. The objective was to search for sections of the favourable mineral-bearing horizons at surface to the west of the known mineralization. The objective of the program was to correlate the underlying rock types with current knowledge and published maps of the Bathurst Mining Camp. During the mapping program, a new zone of sericitization was discovered coincident with a very strong lead-in-soil anomaly. Following this anomaly along strike, well-defined Clearwater Stream rocks, altered and unaltered, were found south of the soil anomalies on several lines, defining considerable strike length. The identification of this rock type, which hosts the known Chester VMS and Copper Stringer deposits, is very important for defining the exploration potential of the Property.
- Ground Magnetometer and VLF EM Surveys: These were conducted on the grid to be used as a mapping tool for later interpretations of the geological and geochemical results.
- Soil Sampling: A sampling program for the "B" horizon was completed on the newly established grid. A total of 3,357 soil samples were collected, screened through a -80 mesh, and analysed by ICP at Actlabs in Ancaster, Ontario.

Several anomalous areas were encountered that warrant follow-up exploration. One of the more interesting areas is located about 1 km northwest of the current Chester copper resource where elevated copper, zinc, and lead levels were found in soils; this is coincident with anomalous magnetometer and VLF results. Mapping in this area suggests that sericite-altered volcanic host rocks may be present. The location of this untested copper soil anomaly is shown in Figure 9-1.

Drilling

There are two vintages of drilling referred to in this report: FNR and Pre-FNR drilling. Pre-FNR drilling includes all holes drilled on the Property before FNR became involved in the project in 2003. The distribution of drill holes is shown in plan view in Figures 10-1 and 10-2. In 2003, one of the first challenges that FNR encountered was how to tie in the Pre-FNR drilling database locations because very few of the recognizable landmarks still existed at that time. A small bridge crossing a creek near the old core shack location (approximately 709580E, 5219860N) was present in 2002 and can be seen on 1969-vintage air photos (this bridge has been recently removed). The location of this bridge was determined using a GPS and this formed the basis for locating the original drilling. The geology and grades encountered showed good correlation between the two vintages of drilling. In September 1955, massive sulphides of the Chester deposit were intersected in the first hole that was diamond drilled on the Property. Subsequently, approximately 800 diamond drill holes were completed to delineate the massive, disseminated, and Stringer sulphide zones of the Chester deposit. Approximately 50 of these drill holes that are exploratory in nature, testing for satellite deposits. There are reports of an additional 100 exploratory drill holes in the area but these are not present in the current database.

The majority of the Pre-FNR drilling focused on the near-surface, Central, and East VMS Zones located between 710200E and 710900E. Significant drilling was also completed on the West Zone comprised of Stringer-type mineralization which is the focus of the mineral resource estimation in this Technical Report. The Pre-FNR drill holes intersecting the Stringer zones are spaced on approximately 25-m centres between 709800E and 710200E. Farther to the west, holes become more widely-spaced, but they continue to intersect significant thickness and grade of copper mineralization. This down-plunge drilling, between 709100E and 709800E, is not considered sufficient to support a mineral resource estimate. FNR took a methodical approach to delineating the eastern (near-surface) portion of Stringer mineralization. The objective of this approach was to evaluate the nature of the thickness, continuity, and grade and ultimately provide information from a mining perspective. FNR drilled a total of 198 holes on the Property: 179 are proximal to the Stringer zone mineralization described in this report, and the remaining 19 holes test the VMS zone or other targets too distant to affect the resource model. FNR drill holes are variably spaced at 12.5-m intervals (and locally 6.25 m) in the upper part of the Stringer zones, with an average of 12.5-m spacing throughout the majority of the drilled area, expanding to 25-m spacing at the western limits of the program. The FNR diamond drilling was done under contract by Maritime

Diamond Drilling Ltd. of Truro, Nova Scotia using a Longyear Model 38. The vast majority of both FNR and Pre-FNR drill holes are oriented vertically which result in favourable pierce angles with the shallow-dipping mineralized zone. A series of FNR drill holes between 709875E and 710040E have been inclined in order to retain the required distance between drilling activities and the Clearwater Stream. Also, a certain area south of the access road was closed to drilling by the Forest Rangers because it was considered a wet zone.

All drill holes were diamond core holes. The core from the Pre-FNR drilling was dumped, probably by vandals, after the site was abandoned in 1977; the majority of it was found in a pile located beside the creek at 709950E, 5220100N. All FNR drill core was originally stored indoors in a clean and very well organized office facility in Bathurst. Initial core logging was done on site at Chester in a tent erected for that purpose, then transported to the Bathurst facility and sampled. Following the insolvency of FNR in 2011, some of the core was moved to the government facility in Madran, to the northwest of Bathurst. Approximately 40 trays are stored on Mr. Brooks' property in Bathurst. The remainder of the core was dumped in the Bathurst No. 12 Mine tailings pond. All FNR drilling produced NQ-size drill core. The core from Pre-FNR drilling is a combination of AXT, BQ, and NQ sizes. The drill core was inspected during two site visits by the QP showed that core recovery is excellent except for very rare, isolated intervals. Recoveries, calculated from only a handful of the FNR drill holes which have tabulated recovery data, average 96%. FNR personnel estimate that overall core recovery was in excess of 99%.

Sampling, analyses and Data Verification

Robert Sim visited the Chester Property twice, once from November 9-10, 2006 and again from October 1-5, 2007. These included visits to the Chester site, with several days dedicated to reviewing the drill core and the then-current data recording practices in FNR's Bathurst office facilities. There has been no additional work conducted on the Property since that time that could materially affect the estimate of mineral resources. The site visit included a detailed review of the data stream from logging, to database entry, to section plotting, and, finally, rechecking the information with respect to the surrounding geologic interpretation. Mr. Sim also inspected the core sampling facility and equipment which was found to be clean and organized, and appeared to be in good working condition. The equipment and practices used followed accepted industry standards. Samples collected by FNR were sent for analysis to Activation Laboratories Ltd. at the following address: Activation Laboratories Ltd. (Actlabs) 1336 Sandhill Drive, Ancaster, Ontario, Canada

The data from ten drill holes, representing approximately 6% of the database, were randomly selected and manually verified against the original sources. Collar locations were checked against the original survey reports and the assay intervals were checked with sample books and the grades back to the original assay certificates. No errors were identified in the collar locations. There were two data entry errors identified in the assay results, in both copper and silver grades, for sample 143013 in drill hole C07-073. This is an error rate of less than 0.1% which is considered excellent. During the data review, and subsequent to the generation of the resource model, it was recognized that drill hole C03-013 had been incorrectly entered using the magnetic azimuth of 45° instead of the true azimuth of 30°. The drill hole was surrounded by a number of FNR drill holes on 12.5-m spacing. This error does not significantly affect the resource estimate.

The collars of all FNR holes were marked with cemented steel rods. The locations of all the holes were visually validated during the site visit. During the site visit, the QP, Mr. Sim, visually correlated the chalcopyrite content in drill core with the reported assay grades for a random selection of drill holes. No discrepancies were noted. The sampling protocols used in the development of the FNR database followed accepted industry standards and were verified through an extensive QA/QC program. Comparisons were made between the validated FNR drilling results and the Pre-FNR drilling data selected over a restricted "test" area. The test involved an interpretation of +0.5% Cu in Stringer Zones 2 and 3 derived from each dataset, and then comparisons of declustered sample data within each domain. The results showed similar grades in each zone, but the Pre-FNR drilling generated a higher volume of lower-grade material. It should be noted that the Pre-FNR drill holes averaged 25-m spacing throughout the test area compared to the 6.25 and 12.5-m spaced FNR holes. It was concluded that the results between the two drilling vintages were sufficiently similar and that the Pre-FNR drilling could be considered reliable for estimating mineral resources within the Inferred category. The results of the data verification indicate that the database is sound and reliable for the purposes of resource estimation.

Mineral Processing And Metallurgical Testing

Several sets of drill core samples from the Chester deposit have been submitted to RPC in Fredericton, NB for metallurgical test work. A final report detailing the results of this work was never provided to FNR, but the information outlined below was derived from a series of interim RPC reports. The location of the various metallurgical test samples is shown in Figure 13-1. Initial test work was conducted on samples submitted from holes C03-001, C03-010 and C03-013. One of these holes (C03-010) intersected VMS-type mineralization and the other two were located in the Stringer zone mineralization. It is suspected that the test results were compromised because the core samples had been stored for more than three years and were oxidized. In January 2007, a second series of (fresh) samples was submitted from drill holes C-07-042, C-07-043, and C-07-044 located in the thick, near-surface portion of the Stringer zone mineralization. These holes intersect representative mineralized material from middle and lower Stringer zone domains (Zones 2 and 3, as described in *Section 14 Mineral Resource Estimate*) with copper grades ranging from 1.20% Cu to 17.11% Cu. The blended, 200-kg sample ran an average grade of 3.5% Cu, 19% Fe, 0.03% Pb, 0.36% Zn, 15 g/t Ag, and 21 ppm In. Two floatation tests were carried out to investigate floatation performance at different grind sizes (P80 < 74.2 um and P80 < 89.9 um). Bulk sulphide (rougher) concentrates produced in both tests contained 10% Cu with copper recoveries greater than 99%. The total sulphur level of the bulk rougher tails was only 0.06% S.

In September 2007, another series of samples was submitted from holes C07-180, C07-181 and C07-182. These holes were located approximately 100-m down-dip of the previous metallurgical samples and intersected the upper and middle Stringer zones. Four individual samples were produced from these holes with grades ranging from 1.65% Cu to 8.50% Cu. Individual bulk sulphide floatation tests were carried out on these samples. Recoveries were unaffected by the range of head-grades with an average greater than 99%. The rougher concentrate grades ranged from 10.4% from the low head grades to as high as 24% Cu from the higher grade samples. Bulk sulphur levels of the rougher tails for this second set of metallurgical tests averaged 2.1% S.

In October 2007, three additional holes were drilled in the upper portion of the Stringer zone (C07-186, C07-187, and C07-188) producing ten individual samples ranging in grade from 2.46% Cu to 10.85% Cu. Samples selected from the September and October metallurgical drill holes were combined to produce a 58-kg composite sample for locked cycle and concentrate cleaning tests. This combined sample averaged 2.41% Cu, 15.9% Fe, 0.04% Pb, 0.35% Zn, 12 g/t Ag, and 11 ppm In. Rougher and cleaner testing showed that regrinding is not required (P80 < 76.8 um) and that one stage of cleaning was necessary to produce saleable concentrates. The rougher concentrate grade was 12.1% Cu (99.4% recovery) using 3418A and PAX as rougher reagents and 18.0% Cu (98.4% recovery) using 5100 reagent. First stage cleaning produced a concentrate grade of 25.5% Cu and the second stage increased the grade to 27-28% Cu (96-97% recoveries).

Locked cycle tests were carried out on a series of 10, 1,760-g samples split from the 58-kg composited drill core sample. Each sample was crushed in a rod mill and run through the circuit for 10 complete cycles with the Copper cleaner 1 scavenger concentrates and Copper cleaner 2 tails recycled to each subsequent cycle. The results of the testing showed that the batch floatation tests achieved the best performance (27% Cu concentrate grade with 97% recovery) compared to the locked cycle tests (25% Cu concentrate grade with 100% recovery). The increased residential time in the locked cycle tests resulted in higher recoveries but a lower concentrate grade due to dilution (floating) of low-grade intermediate products. The location of samples selected for metallurgical testing appears to be representative of the Stringer zone mineralization present in the Chester deposit. The test work conducted to date indicates that concentrates grades in the range of 27-28% Cu can be produced at copper recoveries of 97-98%. Testing also shows that the tailings contain very low levels of contained sulphur.

Mineral Resource Estimates

The mineral resource estimate was prepared under the direction of Robert Sim, P.Geo, with the assistance of Bruce Davis, PhD, FAusIMM. Mr. Sim is the independent Qualified Person within the meaning of NI 43-101 for the purposes of mineral resource estimates contained in this report. The resource model was originally generated for FNR and presented in a Technical Report dated May 30, 2008, with an effective date of March 20, 2008. There has been no drilling or additional work conducted on the Property since that time that could affect the resource estimate and, therefore, the 2008 model remains valid for the Chester project. The 2008 resource considered only an underground mining scenario for the project. This updated mineral resource statement has been updated to reflect current metal prices and has been evaluated using combinations of open pit and underground extraction options. Estimations are made from 3D block models based on geostatistical applications using commercial mine planning software (MineSight® v4.00.02). The project limits are based in the UTM coordinate system using a nominal block size of 2x2x2m. The primary orientation of the drilling and the subsequent geologic interpretation has been conducted using a series of vertical north-south cross sections spaced at varying intervals throughout the deposit. The resource estimate was generated using drill hole sample assay results and the interpretation of a geologic model which relates to the spatial distribution of copper, zinc, and silver. Interpolation characteristics were defined based on the geology, drill hole spacing, and geostatistical analysis of the data. The resources were classified according to their proximity to the sample locations and are reported, as required by NI 43-101, according to the *CIM Definition Standards for Mineral Resources and Mineral Reserves* (November 2010). This report includes estimates for mineral resources. No mineral reserves were prepared or reported.

The mineral resource estimate for the Chester deposit is shown in Table 14.13. As described in *Section 14.12*, the "reasonable prospects of economic viability", as required under NI 43-101, has been demonstrated assuming a combination of open pit and underground extraction options. An open pit cut-off grade of 0.5% Cu and an underground cut-off grade of 2% Cu are considered appropriate based on assumptions derived from operations with similar characteristics, scale, and location. It is important to realize that the mineral resources shown in Table 14.13 are not mineral reserves as the economic viability has not been demonstrated. Note: Resources in the Inferred category are primarily based on older drilling that does not have sufficient analysis for zinc and silver to support reliable resource grades for these elements. There are no known factors related to environmental, permitting, legal, title, taxation, socio- economic, marketing, or political issues which could materially affect the mineral resource.

TABLE 14.13: MINERAL RESOURCE ESTIMATE – CHESTER DEPOSIT (MARCH 20, 2014)

Class	Cut-off (Cu%)	Ktonnes	Cu (%)	Zn (%)	Ag (g/t)
In-Pit					
Measured	0.5	101	1.87	0.14	6.7
Indicated	0.5	1,296	1.34	0.06	3.3
Measured and Indicated	0.5	1,397	1.38	0.06	3.5
Inferred	0.5	2,060	1.25	n/a	n/a
Below Pit					
Inferred	2.0	29	2.33	n/a	n/a
Combined					
Measured	0.5	101	1.87	0.14	6.7
Indicated	0.5	1,299	1.34	0.06	3.3
Measured and Indicated	0.5	1,400	1.38	0.06	3.5
Inferred	variable	2,089	1.26	n/a	n/a

Interpretation And Conclusions of Chester Technical Report

The Chester Property contains a copper-silver-bearing deposit which is the feeder or Stringer zone underlying proximal VMS deposits containing zinc, copper, and minor lead and silver. The most recent work on the Property, conducted by FNR from 2002 to 2007, was directed primarily at evaluating the copper-rich Stringer zone portion of the deposit. Stringer zone mineralization has been traced through drilling over an area measuring almost 1,000-m by 300-m. Vein and disseminated chalcopyrite-pyrrhotite-pyrite occurs in three (or possibly more) sub-parallel, west-dipping zones ranging from less than 1-m thick to greater than 20-m thick, and separated by 10-15-m of patchy mineralized chlorite-altered rhyolite. The geologic model interpreted for the Chester deposit is similar to many other VMS deposits found in New Brunswick. Analysis of the drill sample database shows that it is sound and reliable for the purposes of resource estimation. Comparisons between recent drilling conducted by FNR and drilling conducted before FNR's involvement in the project indicate that the Pre-FNR data are sufficiently reliable to estimate mineral resources in the Inferred category. The resource model has been developed in accordance with accepted industry standards resulting in a mineral resource estimate defined in the Measured, Indicated, and Inferred categories. The exploration potential on the Chester Property is considered to be very good. The Stringer zone mineralization has been traced to the west, with more widely spaced Pre-FNR drilling for a distance of approximately 400-m beyond the limit of the current Inferred resources. East of the Stringer zones there are two known VMS occurrences with extensive Pre-FNR drill holes. There are historic resource estimates for these VMS zones but no recent (NI 43-101 compliant) resource estimates have been generated for these mineralized zones. Metallurgical studies indicate that the Stringer zone material is amenable to standard grinding and floatation segregation with recoveries averaging more than 97% and final concentrate grades of 27% Cu. FNR produced a Technical Report, dated May 30, 2008, that includes a mineral resource estimate for the Stringer zone. At that time, FNR intended to use it as the basis for future mine planning and feasibility-level studies. The 2008 mineral resource assumed an underground extraction scenario using a 2% Cu cut-off grade with an estimated mineral resource of 284 Ktonnes averaging 2.78% Cu and 7.3 g/t Ag in the Measured and Indicated categories, plus 298 Ktonnes averaging 2.51% Cu in the Inferred category.

There has been no drilling or additional work conducted on the Property since FNR's involvement in the Project that could affect the resource estimate, and, therefore, the 2008 resource model remains valid for the Chester Project. The updated statement of mineral resources presented in this report reflects the extraction of the resource using a combination of open pit and underground methods. At a cut-off grade of 0.5% Cu for open pit and 2% Cu for underground extraction, the mineral resource estimate includes 101 Ktonnes at 1.87% Cu and 6.7 g/t Ag in the Measured category, 1.3 Mtonnes at 1.34% Cu and 3.3 g/t Ag in the Indicated category, and 2.1 Mtonnes at 1.26% Cu in the Inferred category. Inferred resources are based on older drilling that does not have sufficient assay results to support estimates for silver grades.

Recommendations of Chester Technical Report

In 2008, FNR's objective for the Chester deposit was to develop it into a producing mine as quickly as possible in order to provide a source of cash flow from which to grow the company. FNR concentrated its drilling efforts on the upper portion of the Stringer zone deposit in order to gain information related to the initial years of active production. Recommendations for the project at that time focused primarily on drilling to further delineate the mineral resource. The objectives of the current project are more focused on expanding the resource through exploration than on near-term production. Recommendations are as follows:

1. Drilling program to confirm the historic drilling on the Central and East VMS Zones. This involves a grid of new holes over representative areas from which comparisons can be made with the old drilling results. The Central Zone would require 30 holes at 50m each and the East Zone would require 40 drill holes at 40m each. 3100m of drilling at $150/m = $465,000.

2. Drilling: Exploration drilling to test for extensions of existing Stringer zone and nearby VMS targets. 5000m x $200/m = $1,000,000.

3. Metallurgical Test Work: Conduct additional metallurgical test work on both the extensions of the Stringer zone and the VMS material. $200,000.

INFORMATION RELATED TO CHESTER PROPERTY POST MARCH 2014

History of Acquisitions by Explor

Explor, from February 2013 to April 2013, entered into two option agreements to acquire a 100% interest in 114 contiguous claim units located in the Northumberland County, in New Brunswick. To acquire these claims, Explor paid a total of $180,000 and issued a total of 1,450,000 Explor Shares. There is a 1% and 2 % NSR on this property.

Explor signed an option agreement in November 2014 with Brunswick Resources Inc. to sell the property. In December 2016, Brunswick returned the Chester Property to Explor because it was not able to comply with the obligations pertaining to the option agreement entered into in 2014.

In February 2019, Explor announced that it had entered into an option agreement with Puma Exploration Inc. ("**Puma**") for the sale of the Chester property. Explor has granted to Puma the sole and exclusive right and option, over a three-year period, to acquire the Chester Property for the following considerations: (i) payment to Explor of an aggregate of $300,000, representing $100,000 per year; and (ii) Puma shall complete a work program of $1,100,000 on the Chester Property, with a minimum of $250,000 during the first year of the option agreement, $350,000 the second year and $500,000 on the third year. Upon the completion of these conditions over a period of three years, Puma will have acquired a 100% interest in the Chester Property. Explor will also retain a 2% NSR royalty on the property. Puma will assume the remaining NSR royalties on the Chester Property in favor of previous owners**.**

Work by Explor

In 2014, an extensive ground exploration program was conducted on the Chester Property, concentrating mainly west side of the Clearwater Stream in an area that has not been explored since the late 1950's. The purpose was to explore the possibility of finding additional near surface mineralized zones similar to the known Chester Copper and VMS zones since it has already been confirmed (First Narrows 2004 and historical drilling in 1967-68) that the main zone Copper Stringer deposit exists for 500 to 700 metres west of the calculated resource.

In October 2016, Explor started a 2,000 meters program on the Chester property. A new and updated geology map produced by Explor personnel as a result of their work on the west side of Clearwater Stream in 2014 indicates a westerly dip to the existing known mineralization. New soil sampling in 2014 indicates wide spread copper and base metal anomalies and favorable stratigraphy associated with the mineralized bedrock areas as well as the potential to discover new mineralization although there are very few outcrops in the area. Explor is planning a 2,000 meters diamond drill program to test the down dip extension of the mineralization outlined in the current 43-101 Technical report, as well as the Time Domain EM Survey conducted by Geotech in 2004 and the technical analysis completed by Condor Geophysical Consultants in June 2005.

A review of the 1996 Extech 2 airborne survey of the Bathurst Mining Camp as well as the Geotech Airborne survey completed by First Narrows in 2004 (Assessment report No 475973) outlines untested geophysical targets that are co-incident with the recent geochemical anomalies. The copper and base metal soil anomalies combined with the geophysical and new geological interpretations indicates there is a westerly down dip component to the stratigraphy as well as a steeply westerly sloping terrain.

A total of 4 diamond drill holes were drilled on claim 1571. The first three diamond drill holes that were drilled were fan holes from the same location. This successfully tested the extension of the copper stringer zone for a distance of 190 meters west of previous drilling. The fourth drill hole was located approximately 100 meters west (and 38 meters south) of the first three drill holes, confirming the continuity of the mineralization to the west and adding 100 meters of strike length to the known deposit. It intersected the target horizon and favorable geology from 94 meters to 234.6 meters.

Further to the west the copper deposit goes down dip and onto claim 6003. At about 1,100 meters west of the first drill hole, drill hole 6003-16-012 was drilled at a vertical dip. It eventually went to a depth of 600 meters and intersected previously unknown mineralization near surface (18 meters) and also extending the deep main Chester Stringer zone an additional 650 meters westward than any previous reliable drilling (i.e. casing in place and core in government storage). It also confirms the existence of the alteration zone and the host stratigraphic horizon to a depth not previously known or expected. The chloritized favorable horizon extends from a depth of 472.5 meters to 561 meters with low grade copper mineralization documented from 519 meters to 543 meters.

In the north part of claim 6003, an untested soil geochemical anomaly was tested. Copper mineralization was discovered as pyrrhotite and chalcopyrite veinlets in felsic volcanic associated with the soil anomaly. Copper mineralization was also discovered in this area in 2014 and a soil survey on claim 7045 to the west have unexplained copper and lead anomalies which may be associated with previously mentioned soil anomaly and this horizon.

To the south on Claim 6005, two drill holes were put down to test a soil anomaly apparently associated with a historical drill hole, dating to about the 1956 to 1958 era, with a reported value of more than 2% copper. No indication of any mineralization was discovered in the two drill holes.

OTHER PROPERTIES

Eastford Lake (Ontario)

History

In October 2005, Explor acquired a 100% interest in 137 units (13 claims) situated in the Kerr, Warden and Milligan Townships, in Ontario, in consideration of an amount of $18,000 and the issuance of 90,000 Explor Shares. The vendors have retained a 2% NSR royalty on these claims. In September 2007, Explor acquired 57 additional contiguous units claims by staking and the Eastford Lake Property now covers a total area of approximately 3,140 hectares.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Eastford Lake Property now has 177 mining claims.

Location

The Eastford Lake Property is located in the Rayner Lake area, near the Abitibi Lake, at approximately 100 km to the west of Timmins, Ontario. It is accessed via a 16 kilometres all weather graver road from highway 101 to the south.

Work by Explor

In July 2009, Explor completed a round of exploratory drilling to determine the location and direction of the "**Lynx Gold Zone**"; seven drill holes for a total of 3,534.2 meters were completed to test a new model. Visible Gold (VG) was observed in two of the holes that were drilled. A total pulp metallic assay has been conducted on those areas where VG was observed. Only one hole had anomalous values less than 500ppb.

Explor completed a structural analysis of the geology using the holes drilled to date and incorporated the results into the current geological model. Nine parallel shear zones were defined in a 400-meter-wide shear zone corridor. The shear zone corridor appears to have been bisected by a major fault trending north-north-east. Gold has been found in several of the shears. Two drill holes were completed to intersect where six SGH gold anomalies were coincident with the shear zones. Of these only one resulted with anomalous gold mineralization.

In 2010, Explor completed a series of four holes for a total of 3,029 meters of diamond drilling. This program focused on intersecting the gold bearing shear zones that are intersected by a major fault structure that is trending in a north north easterly direction and through the Lynx Gold Zone.

The results of the 2010 diamond drill program suggest the following:

1. The cluster of gold assays in Hole EG-10-26 occurs along structural, lithological and alteration that strike northwest of the Lynx Gold Zone. This suggests that the strongest known Au mineralization in the immediate area (including the Lynx Gold Zone) occurs within and is controlled by the northwest trending Eastford Lake Fault Zone.

2. The multiple Au intersections grading up to 4.6 gpt in previously drilled hole EG-09-23 may indicate a separate gold zone parallel to the Lynx Gold Zone, or, it may be controlled by the cross fault.

The discovery of the Lynx Gold Zone in this largely unexplored area represents a major technical success. As a possible new gold camp associated with the regional Destor-Porcupine Fault, it requires further systematic drilling to test and improve the proposed geological model, extend the known gold zones and search for new mineralized zones elsewhere on the property. During the year ended April 30, 2019, Explor impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

Carnegie (Ontario)

History

Explor, from 2007 to 2008, entered into five different agreements for the acquisition of 18 claims (86 units) located in the Carnegie and Kidd Townships, Mining Division of Porcupine, in Ontario, forming the Carnegie Property, which covers approximately 1,003 hectares. To acquire these claims, Explor paid a total of $53,000 and issued a total of 150,000 Explor Shares. There exist a 2% NSR royalty on the property.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Carnegie Property now has 109 mining claims.

Location

The Carnegie Property is located approximately 1.5 kilometre north of the Kidd Creek mine site and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Highway 655.

Work by Explor

A 2,500-meter drill program consisting of ten holes was completed by Explor in the winter of 2010 on the Carnegie Property. Rhyolite was observed in one of the holes. The drilling that was completed tested max/min as well as IP targets there were found during the 2009 winter/spring geophysical program.

A detailed examination of the core has permitted to observe lithologies, textures, alterations and mineralization in many of the holes that were drilled that indicate a strong potential for the localization of a volcanogenic massive sulfide deposit. This has necessitated a second phase of geochemical sampling to determine alteration indexes and also samples have also been submitted for Cu-Zn (copper-zinc) and gold analysis. During the year ended April 30, 2019, Explor impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

Kidd Township (Ontario)

History

Explor, from 2007 to 2017, entered into fourteen different agreements for the acquisition of 32 claims and four patented claim (158 units) located in the Kidd, Carnegie, Wark, Prosser and Murphy Townships, Mining Division of Porcupine, in Ontario, forming part of the Kidd Township Property. Explor paid a total amount of $107,000 and issued a total of 3,244,000 Explor Shares to acquire these claims and the vendors have retained a 2% and 1 % NSR royalty on these claims.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Kidd Township Property now has 197 mining claims.

In February 2016, Explor announced that it has signed a Memorandum of Understanding ("Matachewan/ Mattagami Kidd MOU") with the Matachewan First Nation of Matachewan, Ontario and the Mattagami First Nation of Gogama, Ontario (the "Matachewan/

Mattagami First Nations"), with respect to the Kidd Township Property. The Matachewan/ Mattagami Kidd MOU will serve as a framework to govern the relationship between Explor and the Matachewan/ Mattagami First Nations in accordance with their intention of further building a relationship characterized by cooperation and mutual respect, in connection with the development of the Kidd Township Property. In connection with the Matachewan/ Mattagami Kidd MOU for the Kidd Property, Explor issued a total of 1,000,000 Explor Shares to the Matachewan/Mattagami First Nations.

Location

The Kidd Township Property now covers an area of approximately 2,934.7 hectares which is located 1.5 kilometre south east of the open pit and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Hwy 655 which passes through the middle of the property.

Work by Explor

A first phase of a diamond drilling program was completed by Explor in the fall of 2008, consisting of four diamond drill holes to test geophysical targets south of Open Pit, in an area believed to be predominantly a sedimentary environment. Felsic and metasediments were intersected in all those holes. Highlights include a 1.1-meter section of massive to semi-massive pyrite intersected in Hole #3 down hole at 339.0 to 340.1 meters. Anomalous values of Cu, Zn and Pb were intersected in three of the four holes ranging from 100 to 200 ppm Cu, 330 ppm Zn and 780 ppm Pb in Hole #2. Hole #3 intersected 175 ppm Cu and 906 ppm Zn over 1.5 m.

The analysis of the 2011 drill results, the MEGATEM survey, the VTEM survey and previous historical drill results has confirmed that a major fault structure crosses the Northeastern corner of claim block 4211459. This fault structure and Explor's claims are shown on the attached plan. Both the Open Pit and the Chance deposits are located within this fault structure that crossed the Northern part of the claim block. The drill holes completed by Explor did not detect alteration patterns indicating proximity to hydrothermal venting, however Explor did core sulfide rich flow breccias and coarse pyroclastics, which are indicative of a volcanic mound and nearby venting, favourable area for the deposition of massive sulfides.

Geological modelling for the deposition of marine volcanogenic massive sulphides proposes that hydrothermal venting usually occurs along a deeply rooted fault "growth fault"**.** Hydrothermal venting and sulphide deposition can occur in multiple locations over many kilometres along such faults, resulting in a "string" of massive sulphide deposits (i.e. Noranda and Mattagami mining camps). Assuming that the Kidd Creek and Chance deposits lie along such a growth fault, the projection of this fault crosses the northern portion of claim 4211459 in the area of VTEM anomalies C1 and C2, as well as the isolated MEGATEM anomaly which lies nestled in between.

Exploration drilling completed by Explor to date has revealed a Major Fault Structure running to the west of the Glencore Kidd Creek Mine in a NW-SE direction. A thorough review of all existing geophysical data appears to support these findings. Drilling by Falconbridge in 1998 to the southeast of the Glencore Kidd Creek Mine (Hole # K26-01) returned 4.7m in which 4 of the 5 samples returned Zinc values from 4200 – 8900 ppm and Copper values that ranged from 700 – 2280 ppm. The Magnetic Anomaly associated with these results appears to continue onto Explor's property holdings. A series of untested AEM (Airborne Electromagnetic) conductors detected on the Kidd Township Property to the west, south and southeast of the existing Kidd Creek Mine clearly warrant further investigation.

The 2016 Kidd-Carnegie drill program was successful in that it intersected many of the ore bearing lithological units and marker horizons as within the Open Pit Mine. As well, the intersection of 4024 & 15,500 ppm Zn (over 1.1 & 1.0 meters respectively) within cherty tuffs and cherty-exhalite was very encouraging and suggests that both claim blocks may host a Kidd Creek Style Copper- Zinc deposit. The presence of exhalite-chert units in two of the holes is very significant in terms of exploration. Generally, exhalite-chert is proximal to a VMS deposit. This is the first time in 10 years of exploration around the Kidd Creek mine site that exhalite-chert has been intersected.

In the fall 2016/winter 2017, Crone Geophysics conducted down hole geophysics. A sodium depletion study was completed due to the presence of exhalite in two of the holes drilled on the property north of the mine. Results are positive, the core from Holes KC-16-03 and KC-16-04 was found to be significantly sodium depleted. This indicates we are proximal to the event horizon.

The 2017 diamond drill program in Carnegie Township as initiated by Explor from January to March, 2017 was successful in drill testing several magnetic and electromagnetic conducting targets as well as structures within claims 4210980 and patent 4419 with holes KC-17-07, KC-17-08 & KC-17-09. Although no economic zinc, copper, lead or gold values were encountered, this phase of diamond drilling has shown the presence of silica and sericite altered coarse felsic pyroclastics, sulphides, graphitic exhalative horizons and anomalous Zinc values commonly found associated with world class type of VMS deposit similar to the Kidd Creek deposit located immediately to the south.

To date, the East-West extent of the EM conductors in Carnegie Township has not been fully drill tested. As well, the intersection of sericite & silica altered coarse pyroclastics, exhalative horizons, mafic fragmentals, graphitic material and sulphides within KC-17-07, KC-17-08 & KC-17-09 suggests close proximity to vent system similar to that found in the Kidd Creek mine. **Therefore, the next phase of diamond drilling should concentrate on the East-West extent of the electromagnetic feature in claim 4210980 east and west of the 1.5% (15000 ppm Zn) in Hole KC-16-03.**

The intersection of moderately to strongly silica and sericite altered pyroclastic, graphitic argillite and exhalative horizons in Hole KC-17-09 within patent 4419 strongly suggests proximity to a vent system similar to that found in the mine to the south east. Therefore, a modest drill program focused around Hole KC-17-09 and along the NW-SE structure may uncover a zinc, lead & copper deposit. Explor plans on drilling 1 to 2 holes to the east of our 1.5% Zinc intersection. Recent geophysical work on the Prosser Township claims has confirmed a large significant geophysical anomaly at the center of the property.

Ogden Property (Ontario)

History

Explor, from December 2014 to December 2017, entered into seven different option agreements to acquire a total of 23 mining claims (118 units) and seven patented claims situated in the Porcupine mining division, district of Cochrane, in the Ogden and Price Townships, Ontario. Explor paid a total of $117,000 and issued a total of 5,060,000 Explor Shares to acquire a 100% interest in the Ogden Property. There is an existing 2% NSR on part of the property and a 2% Gross Overriding Receipts (GOR) royalty on all diamonds extracted from some of the claims. There is also a 2% NSR royalty on the property.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Ogden Property now has 135 mining claims.

The most significant deposits in Timmins are spatially associated with porphyry units that are in proximity to the Porcupine Destor Fault. The deposits appear to be also associated with splay faults that trend off and to the North of the Porcupine Destor fault inside an interpreted splay fault corridor.

Location

The property is located in the Porcupine Mining Division, in the Cochrane District, in the Ogden and Price Townships, Ontario. These claims are contiguous and east of Explor's TPW Property.

Work by Explor

In March 2016, Explor announced a 3,000-meter diamond drilling program on the property. This diamond drill program concentrated on geophysical targets as identified by Explor's recent ground geophysical survey and IP work conducted by Inmet and Knick Exploration. Analysis of existing geophysical data along with Explor's recently completed work has revealed a major geological structure similar to the one located on Explor's TPW Property. It would appear to be a continuation of the Bristol Porphyry on the other side of the Mattagami River fault. Previous reconnaissance exploration work by Inmet Mines defined several induced polarization anomalies (1997) and these are incorporated with recent I.P. survey data as the surveys were completed by the same service company and all original data has been acquired by Explor.

The property has been previously explored by Hollinger Mines, Tex-Sol Exploration, Inmet Mining Company, Amax Mineral Exploration, Noranda Exploration and Knick Exploration. The majority of the holes drilled by previous operators were less than 100 meters in length. Historically on the Ogden Property, the only hole that hit significant mineralization was a diamond drill hole by Tex-Sol Exploration in 1965 which returned 6.0 g/t Au over 9.1 m at a shallow depth. On the TPW Property significant mineralization was intersected below 300 meters of vertical depth requiring drill holes of 500 to 600 m in length.

The following results were obtained from this first drilling campaign:

Hole #OG-16-02 intersected 2.06 g/t Au over 1.50 meters from 154.5 to 156.0 meters

Hole #OG-16-05 intersected 1.99 g/t Au over 1.80 meters from 438.0 to 439.8 meters.

Explor plans on analyzing the 2016 results in context with the geological information obtained with this preliminary program. A geophysical program has been completed and targets have been defined. During the year ended April 30, 2019, Explor impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

Montrose/Midlothian (Ontario)

Explor, from 2007 to 2009, entered into three different agreements for the acquisition of 186 mineral units comprising 16 mineral claims situated in Montrose and Midlothian Townships, in the Porcupine Mining Division, District of Cochrane, Province of Ontario. To acquire these claims, Explor paid a total of $75,500 and issued a total of 142,000 Explor Shares. There exist a 2% and 1% NSR royalty on the property.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Montrose/Midlothian Property now has 51 mining claims.

In September 2017, Explor announced that it has signed a Memorandum of Understanding (“Matachewan/ Mattagami Montrose MOU”) with the Matachewan/Mattagami First Nation. The Matachewan/ Mattagami Montrose MOU will serve as a framework to govern the relationship between Explor and the Matachewan/ Mattagami First Nations in accordance with their intention of further building a relationship characterized by cooperation and mutual respect, in connection with the development of the Montrose Property. In connection with the MOU, Explor issued a total of 1,000,000 Explor Shares to the First Nations.

Location

The claims comprising the Montrose Property are located in the southern part of Montrose Township and the northern part of Midlothian Township, approximately eight kilometres northwest of the town of Matachewan and 64 km west of the city of Kirkland Lake, Ontario. Excellent access is provided by highway 66 from Kirkland Lake.

Work by Explor

The property has been re-evaluated based on a new geological interpretation of the location of the main fault structure trending north from the Stairs Mine onto Explor’s ground. A major ground geophysical program was completed in 2016 consisting of line cutting which was followed by Mag, VLF and IP. The program revealed several targets that emanated off the major fault structure that runs through the property in a North-West – South-East direction. During the year ended April 30, 2019, Explor impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

PG 101 (Ontario)

History

In December 2008, Explor entered into an option agreement to acquire a 50% interest in a 101 mineral claims package totalling 1,626 hectares, situated in Holloway and Marriott Townships in the Larder Lake mining division, district of Cochrane, Province of Ontario. To acquire this 50% interest, Explor has paid $300,000 and issued 200,000 Explor Shares over the three-year option period. Explor has the right at any time to increase its interest to 70% by the payment of $1,000,000.

From May 2009 to May 2017, Explor entered into three different option agreements to acquire a 100% interest in 84 additional units (8 claims) situated in the Marriott and Holloway Townships. In consideration of this acquisition, Explor paid a total of $47,000 and issued a total of 400,000 Explor Shares. There is a 2% NSR royalty on the PG 101 property.

In 2018, the Ministry of Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the PG 101 Property now has 170 mining claims.

Location

The PG 101 Property is adjacent to the eastern boundary of St. Andrew Goldfields' former producing Holt Mine property and only a few kilometers east of their Holloway Mine property.

The PG 101 Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults that splay from the Destor-Porcupine fault zone ("DPFZ"). The DPFZ is a major deformation zone that crosses along the north boundary of the PG 101 claims in Marriott Township. Proximity to the DPFZ, the Kirkland-Lake - Larder-Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt.

Work by Explor

In 2008-2009, Explor completed a drilling program on the PG101 Property. Hole PG101-09-01 tested a strong IP anomaly in the area of a regional east northeast trending graphitic shear. Hole PG101-09-02 was drilled on the same structure 400 meters to the southwest.

Hole PG101-09-01returned an intersection of 52.01 g/tonne gold over a core length of three meters (equivalent to 1.843 oz/ton over 9.84 feet) in an altered high iron basalt with quartz-carbonate veining as well as several other intersections presented in the following table.

The results from the drilling indicate that the strike-slip structures that are at or near the contact between Iron-Rich and Magnesium-Rich basalts and contain graphitic material have a high potential for gold mineralization. Located along strike to the southwest are several other areas where a cross fault intersects the southwest trending structure. Within the northern area of the property, there are numerous reported strike-slip fault structures that are along strike from the Holt Mine of St. Andrew Goldfields that would constitute an area of interest.

Explor has completed a deep penetrating IP geophysics survey on this property on the fall of 2016. Several deep targets have been found that appear to trend from St Andrew's Goldfields property onto Explor's mining claims. During the year ended April 30, 2019, Explor impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

Golden Harker Property (Ontario)

History

In December 2010, Explor entered into an option agreement pursuant to which it acquired a 100% interest in a 15 mineral claims package located in Harker Township, in the Larder Lake mining division, district of Cochrane, Ontario. Explor paid $25,000 and issued 80,000 Explor Shares to acquire these claims. The vendors have retained a 2% NSR royalty on these claims.

In February 2012, Explor entered into an agreement pursuant to which it acquired a 100% interest in one additional claim (one unit) in the Golden Harker Property. Explor paid $8,000 to acquire this claim. The vendor has retained a 2% NSR royalty on this claim.

In 2018, the Ministry of Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Golden Harker Property now has 18 mining claims.

Location

The Golden Harker Property is located south west of the St. Andrew Goldfield's Holt McDermott Mine property and their Holloway Mine property. Several other smaller deposits in the Harker-Holloway gold camp and in the vicinity of the Golden Harker Property include the Buffonta, Mattawasaga and East Zone deposits.

The Golden Harker Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults (including the Ghost Mountain fault) that splay from the Porcupine-Destor-Fault Zone ("PDFZ"). The PDFZ is a major deformation zone that crosses to the north of the claims through Harker Township. Proximity to the PDFZ, the Kirkland-Lake - Larder Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt.

<u>Work by Explor</u>

A review of historical work report filed with the Ministry of Northern Development and Mines of Ontario indicates that gold has been intersected in diamond drill holes by previous operators of these claims with up to 11.930 g/ton over 0.7 meter having been intersected.

Launay (Quebec)

<u>History</u>

In September 2006, Explor entered into an option agreement to acquire a 100% interest in five claims located in the Launay Township, Province of Québec. To acquire this interest, Explor paid $30,000 and issued 50,000 Explor Shares over a three-year period. The vendor has retained a 2% NSR royalty on these claims.

In April 2007, Explor entered into a second option agreement to obtain a 100 % interest in 48 additional claims situated in Launay Township in consideration of a payment of $10,000 and the issuance of 100,000 Explor Shares. The vendor has retained a 2% NSR on these claims.

<u>Location</u>

The Launay Property is located in the northern part of the Launay Township, approximately six kilometers from the town of Launay, Quebec. It covers an area of approximately 2,249.46 hectares. Excellent access is provided by a logging road that connects the Launay-Guyenne road to the property approximately 4.5 km from the town of Launay. The Launay property is now comprises of 5 claims.

<u>Work by Explor</u>

Explor conducted a geophysical survey that indicated that the geological formations of the Royal Nickel deposit are also found on our property. No work is currently planned on this property.

East Bay (Quebec*)*

<u>History</u>

From December 2006 to April 2018, Explor entered into fourteen option agreements to acquire a total of 327 claims of the East Bay Property, situated in the Duparquet, Hébécourt, Destor and Dufresnoy Townships, in the Rouyn-Noranda mining camp, Province of Quebec, for a total consideration of $68,500 and issued a total of 1,398,250 Explor Shares. There are a 1% and a 2% NSR royalty on the property.

<u>Location</u>

The East Bay Property now consists of 347 claims located in the Duparquet, Hébécourt, Dufresnoy and Destor Townships, representing a total of 11,005.90 hectares, located near the town of Duparquet. Excellent access is provided by a paved road that connects Highway 101 from Matheson, Ontario to Rouyn-Noranda, Quebec to the property at approximately two kilometres off the highway.

Work by Explor

Explor has completed a study and a complete compilation of work executed in the past, followed by line cutting, magnetic survey and VLF to determine the localization of structural targets on the property. In July 2013, Explor completed a drill program on the property. For more details on the 2013 drill program, please refer to the 2013 Annual MD&A available on Explor's web site and on Sedar under Explor's profile.

In July 2015, Explor started a new exploration program consisting of a drill program to expand the success of the 2013 exploration program. For more details on the 2015 drill program, please refer to the 2015 Annual Report available on Explor's web site and on SEDAR under Explor's profile.

In August 2017, Explor announced the beginning of a diamond drill program consisting of 3,000 meters. During the winter of 2017, Explor completed a geophysical surveys consisting of airborne mag, VLF and EM by helicopter on the property. This airborne program has defined some very interesting structures on the property.

Explor has recently completed a surface reconnaissance and exploration program where grab samples were taken that graded up to 93 and 100 g/tonne gold.

For more details on the 2017-2018 exploration program on the East Bay Property, please refer to the 2018 annual Report available on Explor's web site and on SEDAR under Explor's profile.

With very few drill holes completed so far on the western portion of the property, there is insufficient geological information to clearly understand the complex local tectonics and the anomalous gold zones with confidence. Because of the presence of sheared and altered felsic porphyries and widespread gold mineralization in the ultramafics, the complex tectonic environment, and of very encouraging results, further drilling is highly recommended. In the summer of 2018, Explor completed a ground reconnaissance program and some sampling of outcrops over the eastern part of the property was completed. Results are pending as well as a report from the geologist. An exploration program will be planned on the targets discovered. During the year ended April 30, 2019, Explor impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

Destor (Quebec)

History

In February 2007, Explor entered into an agreement to acquire 10 claims situated in the Destor Township in the Rouyn-Noranda mining camp, Province of Quebec. As a consideration for this property, Explor paid $5,000 and issued 20,000 Explor Shares and committed itself to realized work for $200,000 prior to December 31, 2009. Explor has been granted an extension by the vendor of the property to incur $220,000 in exploration expenses prior to December 2010. In December 2010, Explor obtained a second extension of one year to complete the exploration work, i.e. until December 31, 2011 in consideration of the issuance of 5,000 units in favour of the vendor. Each unit was composed of 10,000 Explor Shares and 10,000 common share purchase warrants, valid for a period of 24 months at a price of $3.00 per share. The vendors have retained a 2.5% NSR royalty on these claims. Explor has fulfilled its work commitment and now owns a 100% interest in the Destor Property.

Location

The Destor Property is located in the central part of the Destor Township approximately 42 km north of Rouyn-Noranda, Quebec. Excellent access is provided by Highway 393 that crosses the northern part of the property and connects to the town of Duparquet, Quebec. It covers approximately 279 hectares.

Work by Explor

Explor completed a VTEM survey, compilation and analysis of all existing geological information on the property. In January 2011, a 2,500 drill program was completed. Drill Holes Explor-D-11-02, 03 and 05 were directed under or within 100 metres of historic holes which had returned encouraging gold intersections. Drill Hole Explor-D-11-04 was drilled 200 m along the geological projection of an historic drill hole which had returned anomalous gold mineralization. Drill Holes Explor-D-11-01, 06 and 07 were drilled on untested targets.

Drilling was successful in uncovering gold in wide-ranging concentrations from decametre-wide geochemically anomalous zones, to metre-scale intervals of higher grade material.

Though anomalous gold was encountered in all seven drill holes of the program, Drill Holes Explor-D-11-01, 03, 04 and 06 were particularly enriched.

During the summer of 2018, Explor completed a ground reconnaissance program on the property and also some sampling of outcrops was completed. A geological report was completed.

Nelligan Property (Quebec)

History

In February 2007, Explor entered into an option agreement to acquire six claims situated in the Nelligan Township, in the mining camp of Val-d'Or, Province of Quebec. As a consideration for this acquisition, Explor paid $45,000 and issued 80,000 Explor Shares over a three-year period. The vendors have retained a 2.5% NSR royalty on these claims.

In March 2007, Explor entered into an option agreement to acquire a 100 % interest in 16 additional claims in the Nelligan Township. In consideration of this acquisition, Explor paid $10,000 and issued 60,000 common shares. The vendors have retained a 2% NSR royalty on these claims.

Location

The Nelligan Property is located in the eastern central part of Nelligan Township, approximately 20 km west of the town of Desmaraisville, Province of Quebec. Excellent access is provided by a logging road that connects the Senneterre-Chibougamau Highway 113 to the property at approximately 2 km off the highway. The property covers an area of approximately 1,198.49 hectares.

Work by Explor

In May 2008, Explor completed an exploration program consisting of a 3,838 meters of NQ core drilling. A total of 19 holes was completed. The drilling has indicated that overall the ultra-mafic complex is weakly anomalous in nickel and carry locally heavy fine disseminated sulphide mineralization and locally highly anomalous concentrations of nickel, cobalt and copper. The highlights of the drilling include the following two zones:

Nelligan Hole #10: highly anomalous Ni from 13 m to 103 m with Ni values ranging from 400 ppm to 2808 ppm. Anomalous Cobalt of up to 180 ppm.

Nelligan Hole #16: highly anomalous Cu at 97.0 to 99.0 m with Cu grade of 1.487% over 2.0 meters.

Explor has written off this property during the year ended April 30, 2012 to concentrate on other projects.

DIVIDENDS OR DISTRIBUTIONS

Explor's dividend policy is to retain earnings, if any, for the financing of future growth and development of its business. As a result, Explor does not intend to pay dividends in the foreseeable future.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Explor's Management Discussion and Analysis dated August 28, 2019 for the audited year ended April 30, 2019 and Explor's Management Discussion and Analysis dated September 30, 2019 for the unaudited interim financial statements ended July 31, 2019 are incorporated herein as Schedule E.

DESCRIPTION OF SHARE CAPITAL

Explor is authorized to issue an unlimited number of Explor Shares and an unlimited number of participating non-voting shares.

The holders of Explor Shares' are entitled to receive notice of and to attend all meetings of the shareholders of Explor. Each Explor Share carries one vote.

The holders of the participating non-voting shares shall in each year in the discretion of the directors, but always in preference and priority to payment of dividends on Explor Shares in such year, be entitled out of any or all profits or surplus available for dividends, to non-cumulative dividends at a rate of 10 cents per annum on the participating non-voting shares. The participating non-voting shares shall rank in priority to the Explor Shares in the event of the liquidation, dissolution or winding up of Explor, whether voluntary or involuntary, and the holders of participating non-voting shares shall be entitled to receive, before any distribution of the assets of Explor among the holders of the Explor Shares, the sum of $1.00 per share and any dividends declared thereon and unpaid. As at November 6, 2019, Explor had 200,397,224 Explor Shares issued and outstanding and no participating non-voting shares were issued and outstanding.

CONSOLIDATED CAPITALIZATION

Other than as disclosed herein, there have been no material changes in the share capitalization or in the indebtedness of Explor since July 31, 2019, the date of Explor's most recent financial statements. The following table sets forth the consolidated capitalization of Explor as at July 31, 2019 and April 30, 2019. This table should be read in conjunction with Explor's comparative unaudited interim consolidated financial statements for the three months ended July 31, 2019 and related notes thereto and management's discussion and analysis thereon.

	As at July 31, 2019 (unaudited)	April 30, 2019 (audited)
Capital Stock	56,786,742	56,786,742
Equity Component of Convertible Debentures	78,750	127,280
Contributed Surplus	14,660,070	14,578,760
Warrants	273,268	245,736
Deficit	(45,797,233)	(45,606,750)
Total Shareholders' Equity	26,001,597	26,131,768
Total Current Liabilities	4,072,864	3,941,179
Total non-current Liabilities	19,804	20,456
Total Liabilities	4,092,668	3,961,635

PRIOR SALES

The following table sets forth, for the fiscal period ended April 30, 2019 and from May 1st, 2019 to date of this information circular, the prior sales of Explor Shares, the granting of options and warrants convertible into Explor Shares, the price at which such securities were issued, the number of securities issued and the date of which such securities were issued or granted:

Type of Security		Number	Exercise Price	Consideration Gross Before Finance Costs	Reason for Issue
A	**Explor Shares**				
Outstanding: May 1, 2018		190,297,224			
	Issued May 2, 2018	100,000	$0.05		East Bay Mining Claims
Outstanding: April 30, 2019		190,397,224			
Outstanding: July 31, 2019		190,397,224			
	Issued September 18, 2019	10,000,000	$0.05	$500,000	Private Placement
Outstanding: Nov. 8, 2019		200,397,224			
B	**Warrants Granted Since May 1, 2018**		**Exercise Price**		
Outstanding: May 1, 2018		29,043,778			
	Granted:	13,000,000	$0.10		Private Placement
	Expired	(15,298,700)			
Outstanding: April 30, 2019		26,745,078			
	Granted:	9,452,120	$0.10		Private Placement
Outstanding: July 31, 2019		36,197,198			

Type of Security		Number	Exercise Price	Consideration Gross Before Finance Costs	Reason for Issue
	Granted: September 18, 2019	5,000,000	$0.10		Private Placement
	Expired	9,730,792			
Outstanding November 8, 2019		31,466,406			
C	**Options Granted to Brokers and Intermediaries Since May 1, 2018**				
Outstanding: May 1, 2018		4,127,194			
	Expired:	(3,450,528)			
Outstanding : April 30,2019		666,666			
Outstanding: November 8, 2019		666,666			
D	**Options Granted Since May 1, 2018**				
	Outstanding: May 1, 2018	11,602,500	**Exercise Price**		
	Granted:	5,300,000	$0.05		
	Expired	(1,860,000)			
	Outstanding April 30, 2019	15,042,500			
	Outstanding July 31, 2019	15,042,500			
	Options Granted Since July 31, 2019				
	Expired:	1,517,500			
	Outstanding as at Nov. 8, 2019	**13,525,000**			

PRICE RANGE AND VOLUME

The Explor Shares are listed and posted for trading on the TSXV under the symbol "Explor". The Explor Shares are also listed and posted for trading on the Frankfurt and Berlin Exchanges and on the OTC Pink Sheets of the United States. The following table sets out the monthly price and volume of trading for the Explor Shares on the TSXV during the year ended April 30, 2019 and up to the date of this Circular:

Month	High ($)	Low ($)	Volume
May 2018	0.04	0.03	2,457,300
June 2018	0.04	0.04	1,594,700
July 2018	0.04	0.03	2,493,700
August 2018	0.04	0.03	3,351,800
September 2018	0.03	0.02	3,177,900
October 2018	0.03	0.02	5,465,100
November 2018	0.02	0.02	1,274,500
December 2018	0.03	0.02	3,580,600
January 2019	0.03	0.02	7,798,000
February 2019	0.03	0.02	6,203,600
March 2019	0.04	0.03	3,235,900
April 2019	0.04	0.02	5,870,500
May 2019	0.03	0.02	4,822,200
June 2019	0.03	0.02	2,459,700
July 2019	0.04	0.02	3,239,500
August 2019	0.04	0.02	4,345,700
September 2019	0.04	0.03	1,526,400
October 2019	0.04	0.02	4,527,200

On August 21, 2019, the last trading day prior to the date of the public announcement of the Amalgamation Agreement, the closing price of the Explor Shares on the TSXV was $0.03.

PRINCIPAL HOLDERS OF SECURITIES

As of the date of this information circular, to Explor's knowledge, no persons beneficially owned, directly or indirectly, or exercised control or direction over, Explor Shares carrying more than 10% of the voting rights attached to all outstanding Explor Shares of Explor.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Municipality, Province of State and Country of Residence and Office Held with the Corporation	Principal Occupation during the last five years	Date of Appointment to the Board of Directors	Number and Percentage of Shares of the Corporation Beneficially Owned or Controlled Directly or Indirectly as at November 6, 2019
Christian Dupont (1) Janeville, New-Brunswick, Canada Non Independent Director, President and Chief Executive Officer	Mining Engineer, President and Chief Executive Office of Brunswick Resources Inc. since December 2013 and of the Corporation since October 2005	October 21, 2005	5,200,840 2.6%
Geoffrey Carter (1) Whitby, Ontario, Canada Independent Director	Mining Engineer	January 7, 2008	0 0%
Mario Colantonio (1) Timmins,Ontario, Canada Independent Director	Civil Engineer	May 13, 2009	0 0%
Gerhard Merkel Sinsheim, Germany Independent Director	Businessman	February 18, 2015	100,000 0.05%
Rodrigue Tremblay(2) Rouyn-Noranda(QC) Canada Chief Financial Officer	Businessman	March 14, 2014	0 0%
Julie Godard (2) Rouyn-Noranda (QC) Canada Corporate Secretary	Lawyer	December 9, 2011	14,000 0.006%

(1) Member of the Audit Committee
(2) Mr. Tremblay and Mrs Godard are not directors of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director of the Corporation is, as at the date of this Circular, or has been within the last ten years, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company**.** No director of the Corporation:

(a) is, as at the date of this annual information form, or has been within the last ten years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets;

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to reasonable investor in making an investment decision regarding the Corporation.

Christian Dupont has been a director of Treegenic Gold Corporation until January 2010, a former reporting issuer in the Province of Quebec that was under a cease trading order on its shares from September 2004 to March 2013 for failure to file its annual and interim financial statements.

EXECUTIVE COMPENSATION

The following table sets forth the information required under *Form 51-102F6V-Statement of Executive Compensation-Venture Issuers* of *Regulation 51-102 respecting Continuous Disclosure Obligations* (the "**Form 51-102F6V**"), regarding all compensation paid, payable, granted or otherwise provided during the last three financial years of the Corporation, to all persons acting as directors or as "**Named Executive Officers**" (the "**NEOs**"), as this expression is defined in Form 51-102F6V, for the financial years ended April 30, 2018 and April 30, 2019. The Chief Executive Officer (the "**CEO**") and the Chief Financial Officer (the "**CFO**") were the only NEOs of the Corporation for the years ended April 30, 2018 and April 30, 2019. Christian Dupont is the President and Chief Executive Officer (the "CEO") and Rodrigue Tremblay is Chief Financial Officer (the "CFO") of the Corporation. Mr. Tremblay is not a member of the Board of Directors of the Corporation.

Table of Compensation, Excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($) (3)	Committee or meeting fees ($)	Value of perquisites ($) (2)	Value of all other compensation ($) (3)	Total Compensation ($)
Christian Dupont, President and CEO	2019	108,000	N/A	N/A	N/A	N/A	108,000
	2018	108,000	N/A	N/A	N/A	N/A	108,000
	2017	108 000	N/A	N/A	N/A	N/A	108,000
Rodrigue Tremblay, CFO	2019	36,000	N/A	N/A	N/A	N/A	36,000
	2018	36,000	N/A	N/A	N/A	N/A	36,000
	2017	36,000	N/A	N/A	N/A	N/A	36,000
Mario Colantonio	2019	0	N/A	N/A	N/A	N/A	N/A
	2018	0	N/A	N/A	N/A	N/A	N/A
	2017	0	N/A	N/A	N/A	N/A	N/A
Geoffrey Carter	2019	0	N/A	N/A	N/A	N/A	N/A
	2018	0	N/A	N/A	N/A	N/A	N/A
	2017	0	N/A	N/A	N/A	N/A	N/A
Gerhard Merkel	2019	0	N/A	N/A	N/A	N/A	N/A
	2018	0	N/A	N/A	N/A	N/A	N/A
	2017	0	N/A	N/A	N/A	N/A	N/A

Notes:

(1) This number represents amounts payable to a private company controlled by the CEO of the Corporation as mining engineer and consultant fees for services rendered to the Corporation by Christian Dupont. This private company does not employ or retain any other individual to act as Neo or director of the Corporation. See the heading ***"Interests of Informed Persons in Material Transactions"*** for other amounts paid to this company and Christian Dupont other than amounts paid as compensation or for services rendered to the Corporation.

(2) The value of perquisites is indicated only if such perquisites are not generally available to all employees of the Corporation and that, in aggregate, their total value for the year are greater than: a) $15,000, if the NEO or director's total salary is $150,000 or less; or b) 10 %

of NEO or director salary, if such total salary is greater than $150,000 but less than $ 500,000.

(3) The Corporation has not concluded employment, consulting or management agreements providing payments to a NEO or to a director in case of change of control, severance, termination or constructive dismissal. Furthermore, the Corporation does not offer any retirement plan or defined benefit or contribution plans in favor of its NEOs and directors.

Stock Options and other Compensation Securities

The following table indicates all compensation securities granted to each director and NEO by the Corporation in the financial year ended April 30, 2018 and April 30, 2019, for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities							
Name and position	**Type of compensation security (1)**	**Number of compensation securities and underlying securities, and percentage of class (2)**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Christian Dupont, President and CEO	Common Shares stock options	3,000,000	08-21-2017	0.08	0.08	0.04	08-21-2022
		3,000,000	09-17-2018	0.05	0.02	0.02	09-17-2023
Rodrigue Tremblay, CFO	Common Shares stock options	100,000	08-21-2017	0.08	0.08	0.04	08-21-2022
		200,000	09-17-2018	0.05	0.02	0.02	09-17-2023
Geoffrey Carter Director	Common shares stock options	100,000	08-21-2017	0.08	0.08	0.04	08-21-2022
		200,000	09-17-2018	0.05	0.02	0.02	09-17-2023
Mario Colantonio Director	Common Shares stock options	100,000	08-21-2017	0.08	0.08	0.04	08-21-2022
		200,000	09-17-2018	0.05	0.02	0.02	09-17-2023
Gerhard Merkel Director	Common Shares stock options	100,000	08-21-2017	0.08	0.08	0.04	08-21-2022
		200,000	09-17-2018	0.05	0.02	0.02	09-17-2023

Note:

(1) The stock options are granted pursuant to the Corporation's stock option plan described under "**Securities Authorized for Issuance under Equity Compensation Plans".** During the last financial year, none of the stock options outstanding have been cancelled, modified or replaced. As at April 30, 2019, all outstanding stock options were exercisable without restrictions.

(2) As at April 30, 2019, the directors and the NEOs of the Corporation held the following stock options: Christian Dupont: 7,500,000 options, Rodrigue Tremblay: 450,000 options, Geoffrey Carter: 425,000 options, Mario Colantonio; 425,000 options and Gerhard Merkel: 400,000 options.

During the year ended April 30, 2018 and April 30, 2019, no stock options were exercised by directors or NEOs.

Oversight and Description of Director and NEOs Compensation

The Board of Directors has no compensation committee. Considering its actual small size, the Board assumes the responsibility to establish the objectives of the Corporation's executive compensation program which are to attract, motivate, engage and retain qualified, high performance individuals and to meet performance objectives designed to increase shareholder returns. The Board: (i) establishes the objectives that will govern the Corporation's compensation program for the NEOs and the directors; (ii) oversees and approves the compensation and benefits to the NEOs; (iii) oversees Explor's stock option plan; and (iv) promotes the clear and complete disclosure to shareholders of material information regarding executive compensation.

Compensation Process and Objectives

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for the NEOs. The Board reviews the NEOs compensation on an annual basis and, in doing such task, it evaluates the NEOs achievements during the preceding year. The Corporation has not retained any third party advisors to conduct compensation reviews of its competitors' pay levels and practices.

The Corporation is an exploratory stage mining company and is not generating, nor expecting to generate revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Board to be appropriate in the evaluation of corporate of NEOs performance. The compensation of the senior officers is based, in substantial part, on industry compensation practices, trends in the mining industry as well as achievement of the Corporation's business plans. An important element of the compensation is the grant of stock options, which does not require cash disbursement from the Corporation.

Currently, the compensation arrangements for the Corporation's NEOs are composed of two components: (i) the payment of an amount in cash to the CEO as consulting fees for services as engineer and management fees and a cash fixed amount as consulting monthly fees to the CFO; and (ii) the grant of stock options. A competitive remuneration is aimed to attract and retain skilled persons necessary to achieve corporate objectives. The grant of stock options is aimed to motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

The Corporation does not offer benefit programs, such as life insurance and health and dental benefits. Where NEOs receive other perquisites (such as car allowances or company vehicles), they reflect competitive practices, business needs and objectives.

Consulting Fees

The cash amount paid to the CEO and to the CFO on a consulting fee basis is reviewed annually by the Board to ensure it reflects a balance of market conditions, the level of responsibilities, the skill and competencies of the individual, retention considerations as well as the level of demonstrated performance. The basic hourly rate payable for professional services payable to the CEO is set by the Board on the basis of its opinion as to a fair and responsible compensation package, taking into account the contribution of the President and CEO to the Corporation's long-term growth and the Board members' knowledge of remuneration practices in Canada.

Stock Options

The Corporation has implemented a stock option plan (see **"Securities Authorized for Issuance under Equity Compensation Plans"** elsewhere in this Circular) to provide its officers, including NEOs, directors, employees and consultants with a long-term incentive for performance and commitment to the Corporation.

The Corporation believes that participation by the NEOs and directors in the stock option plan aligns their interests with those of the Corporation's shareholders, as the NEOs and directors are rewarded for the Corporation's performance as evidenced by share price appreciation. In determining the number of options to be granted, the number and term of options previously granted, individual and team responsibilities and functions, position, individual performance and projected contribution are considered. Management proposes the number of options and names of the optionees and the Board reviews and approves the grant and sets the exercise price (based on the current market price of the Corporation's shares on the TSX Venture Exchange Inc.) and the expiry date.

Pension and Retirement Plans

The Corporation does not have any pension plan that provides for payments or benefits at, following, or in connection with retirement of any officer.

Termination and Change of Control Benefits

There are no contract, agreement, plan or arrangement that provides for payments to a NEO or to a director, at, following or in connection with any termination (whether voluntary, involuntary) or constructive dismissal, resignation, severance, change in the responsibilities or a change of control of the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer, employee or previous directors, officers or employees of the Corporation was indebted to the Corporation at any time in its last completed financial year in connection with the purchase of securities of the Corporation of for any other reason.

CORPORATE DISCLOSURE

National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**") requires issuers to disclose the corporate governance practices that they have adopted. Set forth below is a description of the Corporation's current corporate governance practices.

Board of Directors – *Disclose how the board of the directors (the Board) facilitates its exercise of independent supervision over management, including:*

(a) *the identity of directors that are independent*,

Geoffrey Carter, Mario Colantonio and Gerhard Merkel are independent directors.

(b) *the identity of directors who are not independent, and the basis for that determination*,

Christian Dupont, President and CEO is not independent because of his officer duties for the Corporation.

Directorship – *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The only directors who are presently also directors of other issuers are:

-Christian Dupont, director of Brunswick Resources Inc.
-Geoffrey Carter, director of Brunswick Resources Inc.
-Mario Colantonio, director of Brunswick Resources Inc.

Orientation and Continuing Education – *Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors. Briefly describe what measures the Board takes to orient new directors regarding (i) the role of the Board, its committees and directors, and (ii) the nature and operation of the issuer's business.*

Management of the Corporation undertakes to provide a detailed report of the current status of the Corporation's operations to the Board at each meeting and a question and answer period follows. Management meets with new nominee directors to provide an informal verbal orientation to the Corporation's business and operations and information on the role and responsibilities of the directors and insiders of the Corporation.

Nomination of Directors – *Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:*

(i) who identifies new candidates; and
(ii) the process of identifying new candidates.

Nomination and review of potential new directors is reviewed by the complete Board and the President.

Compensation – *Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:*

(i) who determines compensation, and
(ii) the process of determining compensation.

The Board does not have a compensation committee. The current size of the Board allows the entire Board to take the responsibility for considering compensation for the Corporation's executive officers and directors. Except for the issuance of incentive stock options from time to time, the Corporation does not compensate its directors for their capacity as such. The Corporation provides the CEO with consulting fees which represent his compensation for services rendered during the year, on an hourly rate basis. CEO's consulting fees are reviewed annually by the Board. The Corporation pays the CFO monthly consulting fees at a fixed rate. There is no employment agreement with the CEO and the CFO nor any officer of the Corporation.

Other Board Committees – *If the Board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.*

The Board does not have any standing committee other than the Audit Committee.

Assessments – *Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees and its individual directors are performing effectively.*

No formal steps are in place; however, performance is reviewed informally. The Board believes that its small size facilitates informal discussions and the evaluation of members' contributions with that framework.

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

Audit Committee Mandate and Terms of Reference for Chair

The mandate and responsibilities of the audit committee of the Corporation (the "**Audit Committee**") can be seen in the Annual and Special meeting Circular dated November 6, 2019, available on Explor's web site.

Composition of the Audit Committee

The members of the Board that are members of the Audit Committee are Messrs. Christian Dupont (Chief Executive Officer), Geoffrey Carter and Mario Colantonio, a majority of whom are independent (in accordance with NI 52-110) and financially literate.

Relevant Education and Experience

All members have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements. The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

Geoffrey Carter

Mr. Carter is a mining engineer and has a B.Sc. degree in mining engineering from the University College Cardiff, University of Wales, Cardiff, Britain. Mr. Carter is a member of the Association of Professional Engineers of Manitoba and a registered Professional Engineer in the Province of Ontario. Since 1991, Mr. Carter has been employed by Broad Oak Associates, an association of mining industry professionals who assist in the preparation of technical reports and feasibility studies and the facilitation of corporate finance activities. Mr. Carter has been active in the mining industry since the late 1960s. He has held positions with Anglo American plc, Hudson Bay Mining & Smelting Co. Limited, Inspiration Mining Corporation (Vice-President). Mr. Carter has been a director and President of Ourominas Minerals Inc. Since December 2013, he has been a director of Brunswick Resources Inc.

Christian Dupont

Mr. Dupont is a mining engineer and has a B.Eng. Degree from Nova Scotia Technical College, Halifax, Nova Scotia. Mr. Dupont has been active in the mining industry since the early 1970's. Mr. Dupont has occupied several positions in the mining field. He has been senior mining engineer for Noranda and Chief Engineer for Exall Resources Inc. Mr. Dupont was also president and director of Kayorum Gold Mines Ltd., from 1992 to 1997 and vice-president of the same company in 1998. Between 1997 and 1998, he was also a director of Fieldex Exploration Inc. From 1997 to 2001, he was responsible of project management for Luzenac Inc., and from 2001 to 2006 he was vice president and director of TOM Exploration Inc. From December 2010 to December 2013, he was a director of Abcourt Mines Inc. Since December 2013, he has been a director, the President and CEO of Brunswick Resources Inc.

Mario Colantonio

Mr. Colantonio is a professional engineer and has been active in the mining industry since the mid 1980's. He received a B.SC. Degree in civil engineering from Queen's University, Kingston, Ontario in 1985. His primary focus has been the engineering and management for capital and maintenance projects for mine/mill infrastructures including feasibility studies. He has held senior engineering management positions for AMEC and is presently president of a privately owned engineering consulting firm. Since December 2013, he has been a director of Brunswick Resources Inc.

Audit Committee Oversight

At no any time since the commencement of the Corporation's financial year ended April 30, 2018 and April 30, 2019, a recommendation of the Audit Committee to nominate or compensate an external auditor was not adopted by the Board of directors of the Corporation.

Pre-Approval of Policies and Procedures

The Audit Committee shall review and pre-approve all non-audit services to be provided to the Corporation by its external auditors.

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditors in each of the last three financial years for audit and other fees are as follows:

Nature of Services	Fees Paid to Auditor in Year Ended April 30, 2019	Fees Paid to Auditor in Year Ended April 30, 2018	Fees Paid to Auditor in Year Ended April 30, 2017
Audit Fees (1)	$29,050	$41,060	$45,165
Audit-Related Fees (2)	$3,025	0	$2,280
Tax Fees (3)	$1,905	0	$5,715
All Other Fees (4)	0	0	$0

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption for Venture Issuers

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under NI 52-110.

RISK FACTORS

Risk Factors Related to Business Affairs of Explor

Fluctuations in the Market Price of Gold and other Metals

The profitability of mining operations, and thus the value of the mineral properties of Explor, is directly related to the market price of gold and other metals. The market price of gold and other metals fluctuates and is affected by numerous factors beyond the control of any mining Explor. If the market price of gold and metals should decline dramatically, the value of Explor's mineral properties could also decrease dramatically and Explor might not be able to recover its investment in those interests or properties. The selection of a property for exploration or development, the determination to construct a mine and place it into production and the dedication of funds necessary to achieve such purposes are decisions that must be made long before first revenues from production are received. Price fluctuations between the time that such decisions are made and the commencement of production can drastically affect the economics of a mine.

Market Risk

(i) Fair Value

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about the financial instruments. Fair value of cash and cash equivalents, cash in trust, other receivable, of cash and term deposits reserved for exploration and evaluation, due to a related Explor as well as accounts payable and accrued liabilities approximate carrying value due to their short-term.

(ii) Fair Value Hierarchy

Investments are measured at fair value and they are categorized in level 1. This valuation is based on data observed in the market. Cash reserved for exploration and evaluation and term deposit reserved for exploration and evaluation are measured at fair value and they are categorized in level 2. Their valuation are based on valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to changes in market interest rates. Except for term deposit reserved for exploration and evaluation, debentures and long-term debt, Explor's financial instruments do not bear interest. Since the term deposit reserved for exploration and evaluation and the debentures bear interest at a fixed rate, the risk of loss from market fluctuations in the interest rate is therefore minimal. In addition, the long-term debt bear interest at the rate prescribed by the CRA and is revised quarterly. As at April 30, 2019 and 2018, Explor holds debentures that bear interest at fixed rates of 7% and 8% and a long-term debt at the rate of 6% (5.18% as at April 30, 2018). Fixed interest rates expose Explor to the risk of variation in fair value due to interest rates changes. Explor believes that a 0.5% change in interest rates could be reasonably possible. Its effect would be about $285 ($282 in 2018) on the term deposit reserved for exploration and evaluation, $10,338 ($9,838 in 2018) on debentures and $4,164 ($3,112 in 2018) on the long-term debt.

(iv) Currency Risk

During the year, Explor incurred administrative costs in US dollars for $19,404 representing consultant fees. During the previous year, Explor incurred administrative costs in US dollars for $135,708 representing consultant fees, travelling and entertainment expenses, registration, listing fees and shareholder's information for respectively $107,665, $3,154 and $24,889. During the previous year, it also incurred consultant fees in AUD dollars for $14,475. Consequently, certain assets, liabilities and expenses are exposed to foreign exchange fluctuation. As at April 30, 2019, Explor has a cash balance of $4,650 in US dollars. As at April 30, 2018, Explor has no amount in the statement of financial position arising from transactions in foreign currencies. Explor believes that a 5% change in exchange rates is reasonably possible. Its effect would be about $970 ($7,500 in 2018) on the net loss of the year.

(v) Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose Explor to credit risk mainly consist of cash reserved for exploration and evaluation and term deposit reserved for exploration and evaluation. The credit risk on cash and term deposit reserved for exploration and evaluation is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Therefore, Explor does not expect any treasury counterparties to fail in respecting their obligations. Explor is subject to concentration of credit risk since the term deposit reserved for exploration and evaluation is held by a single Canadian financial institution. The carrying value of these financial instruments represents Explor's maximum exposure to credit risk and there has been no significant change in credit risk since the previous year.

(vi) Liquidity Risk

Liquidity risk is the risk that Explor will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that Explor has sufficient financing sources. Explor establishes budgets to ensure it has the necessary funds to fulfill its obligations. As at April 30, 2019, Explor's liquidities are amounting to $65,027 and its working capital is negative. It also holds investments in a public Explor with a market value of approximately $164,000 that it could sell if necessary. At the statement of financial position date, its statutory commitments in relation with flow-through financings are amounting to approximately $78,200 and these expenses must be incurred before December 31, 2019.

In order to continue its operations, Explor will have to find additional funds and there is no guarantee for the future. During the year ended April 30, 2019, Explor failed to find financing in shares other than the renegotiation of the expired debentures. Then, currently, there remains a risk that Explor will be unable to find cash even if the management believes that it will find the necessary cash to meet its future commitments. Considering the non-respect of some flow-through shares agreements and in view of the negative impact of this fact, the risk is high that management will have difficulties to obtain the financial resources required for its future projects.

Equity Market Risk

Equity market risk is defined as the potential adverse impact on Explor's earnings due to movements in individual equity prices or general movements in the level of the stock market. Explor closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by Explor.

Explor currently holds investments in a public company that is subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets. Investments are recorded at fair value using quoted market price which is currently $163,820 ($262,112 as at April 2018).

As at April 30, 2019, had the published price of these securities increased (decreased) by 30%, net loss and comprehensive loss and shareholders' equity for the year would have increased (decreased) by $49,146 ($78,634 in 2018).

Exploration and Mining Risks

Mineral exploration is highly speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not be able to avoid. Most exploration efforts are not successful in that they do not result in the discovery of mineralization of sufficient quantity or quality to be profitably mined. **There is no assurance that Explor will discovered ores in sufficient quantities to warrant mining operations. There is also no assurance that the mining properties of Explor will be brought into commercial production.** These risk factors include market fluctuations, the proximity and production capacity of mining facilities and processing equipment, possible claims of native peoples and government regulations, including regulations relating to prices, royalties, allowable production, import and export of minerals, environmental protection and the protection of agricultural territory. The effect of these factors cannot be accurately predicted.

Regulatory Compliance, Permitting Risks and Environmental Liability

Exploration, development and mining activities are subject to extensive Canadian federal and provincial laws and regulations governing exploration, development, production, taxes, labour standards, waste disposal, protection and conservation of the environment, reclamation, historic and cultural preservation, mine safety and occupational health, toxic substances as well as other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing a mine and other facilities in compliance with such laws and regulations is significant. The costs and delays associated with compliance with such laws and regulations could become such that Explor cannot proceed with the development or operation of a mine.

Mining in particular (and the ownership or operation of properties upon which historic mining activities have taken place) is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to Explor (or to other companies within the industry) at a reasonable price. To the extent that Explor becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to Explor and could have a material adverse effect on Explor. Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive.

Title to Properties

Although Explor has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of Explor's interests.

Industry Conditions

Mineral resource exploration and development involves a high degree of risk that even a combination of careful assessment, experience and know-how cannot eliminate. While the discovery of a deposit may prove extremely lucrative, few properties that undergo prospecting ever generate a producing mine. Substantial sums may be required to establish ore reserves, develop metallurgical processes and build mining and processing facilities at a given site. There can be no assurance that the exploration and development programs planned by Explor will result in a profitable mining operation. The economic life of a mineral deposit depends on a number of factors, some of which relate to the particular characteristics of the deposit, particularly its size, grade and proximity to infrastructure, as well as the cyclical nature of metal prices and government regulations, including those regarding prices, royalties, production limits, importation and exportation of minerals, and environmental protection. The impact of such factors cannot be precisely assessed, but may prevent Explor from providing an adequate return on investment.

Competition

Explor competes with major mining companies and other natural resource companies in the acquisition, exploration, financing and development of new properties and projects. Many of these companies are more experienced, larger and better capitalized than Explor. The competitive position of Explor depends upon its ability to obtain sufficient funding and to explore, acquire and develop new and existing mineral resource properties or projects in a successful and economic manner. Some of the factors which allow producers to remain competitive in the market over the long term are the quality and size of an ore body, cost of production and operation generally, and proximity to market. Explor also competes with other mining companies for skilled geologists and other technical personnel.

Permits and Licenses

The operations of Explor require licenses and permits from various governmental authorities. There can be no assurance that Explor will be able to obtain all necessary licenses and permits that may be required to carry out further exploration, development and mining operations at its projects.

Volatility of Stock Price and Limited Liquidity

The Common Shares of Explor are listed on the TSXV, the Frankfurt and Berlin Exchanges and on the OTC Pink Sheets of the United States. The Explor Shares have experienced volatility in price and volume. Furthermore, there can be no assurance of adequate liquidity in the future for the Explor Shares.

Dependence on Key Personnel

Explor is dependent on the services of certain key officers and employees. Competition in the mining exploration industry for qualified individuals is intense and the loss of any key officer or employee if not replaced could have a material adverse effect on the business and operations of Explor.

Tax Deduction

No assurance can be given that Canada Revenue Agency or the Quebec Ministry of Revenue will agree with Explor's characterization of expenditures as Canadian Exploration Expenses pursuant to the flow-through agreements concluded by Explor with subscribers during the last financial years.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Explor has the following claims or possible claims which are outstanding as of November 6, 2019:

(a) action by Peartree Financial Services Inc. (**"Peartree"**) Province of Quebec, Rouyn-Noranda District Action # 600-17-000673-187 for $631,065. The claim relates to the failure by Explor to make qualified expenditures and reassessments by Canada Revenue Agency ("**CRA**") with respect to flow through share filings in 2012 and 2013 for 9 shareholders. The 9 shareholders of Explor subscribed for those private placements and have been reassessed by CRA. These 9 shareholders have assigned their claims to Peartree. The shareholder have indemnity rights in the subscription agreements and other transactional documents. Explor has defended this action. Defenses include: (a) no right to assign tax claims; (b) the investors has mitigated its losses by donating their shares; and (c) others. Explor estimates that it has a good defense. The action is at an early stage and no determination of probability of loss can be established at this stage of claim. The direction is not yet determined with respect to the disengagement of this case or when the case will be resolved;

(b) possible reassessments for failure to incur exploration expenses amounting to $2,233,156 on work that it had to incur by December 31, 2018. In addition to penalties and PartXII.6 taxes, Explor could be exposed to shareholder actions by those shareholders who invested in the flow-through offerings;

(d) Explor has been threatened with a lawsuit over unpaid consulting fees and finders fees related to the Pure Nickel transaction. No determination of any possible liability can be established at this stage.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below, Explor believes that no director or executive officer of Explor or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of Explor's outstanding voting securities or any associate or affiliate of any of the persons or companies referred to above has any material interest, direct or indirect, in any transaction which materially affected Explor or is reasonably expected to materially affect Explor since May 1, 2018.

Explor retained the professional mining engineer services of Mr. Christian Dupont, President and Chief Executive Officer of Explor, to carry out work on and manage its exploration projects, through consulting fees paid to a private company of which Mr. Dupont is the President. During the year ended April 30, 2019, Explor incurred administrative consultant fees amounting to $108,000 ($108,000 in 2018), general administrative expenses amounting to $2,141 ($22,298 in 2018), exploration and evaluation expenses amounting to $16,770 ($269,307 in 2018) and rent expenses of an amount of $18,000 ($18,000 in 2018) with that private company.

During the year ended April 30, 2019, Explor has incurred administrative consultant fees of an amount of $36,000 ($36,000 in 2018), professional fees of an amount of $0 ($6,530 in 2018), registration and listing and information to the shareholders of $4,257 ($728 in 2018), share issuance fees of an amount of $0 ($9,200 in 2018), general administrative fees of an amount of $0 ($500 in 2018) and stock-based compensation of an amount of $44,000 ($206,676 in 2018) with members of the Board of Directors and the Chief Financial Officer of Explor. In relation with these transactions, as at April 30, 2019, a balance to be paid of $0 ($1,759 in 2018) is presented with the accounts payable and accrued liabilities and a balance to be paid of $30,000 ($3,449 in 2018) is presented with the due to directors at the statement of financial position.

During the year ended April 30, 2019, Explor has incurred general administrative fees of an amount of $3,191 ($7,573 in 2018) with a company that has some directors in common with Explor and had the same Chief Financial Officer up to December 2018. In February 2018, Explor signed an agreement with this company to settle an advance of $144,307 in counterpart of an investment of 2,886,141 common shares of this corporation. In connection with this transaction, a loss on receivable settlement for an amount of $57,723 is presented in the statement of net loss for the year ended April 30, 2018.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of Explor are Dallaire & Lapointe Inc., Chartered Professional Accountants (CPA) of Canada, Rouyn-Noranda, Quebec. The registrar and transfer agent for the Explor Shares is AST Trust Company (Canada) at its office in Calgary, Alberta.

MATERIAL CONTRACTS

Explor considers the following agreements to be material:

- Option agreement dated January 17, 2019 with Puma Exploration Inc.;
- Secured Convertible Debenture Agreements with seven investors dated November 28, 2018 (as amended);
- Secured Convertible Debenture Agreements with six investors dated July 3, 2019; and
- Amalgamation agreement with Pure Nickel Inc. dated August 22, 2019.

EXPERTS

The names of the experts in connection with this Circular, either directly or in a document incorporated by reference herein, are Wolff Leia, Barristers & Solicitors, Dallaire & Lapointe inc., Chartered Professional Accountants (CPA) of Canada, P&E Mining Consultants Inc., professional engineers and Robert Sim, P. Geo. of Sim Geological Inc.,

As at the date hereof, the partners and associates of Wolff Leia, as a group, beneficially owned, directly or indirectly, less than 1% of Explor's outstanding Common Shares.

Dallaire & Lapointe inc., Chartered Professional Accountants (CPA) of Canada, report that they are independent of Explor in accordance with the Professional Code and Quebec Chartered Professional Accountants Act.

Eugene Puritch, P. Eng., Richard Sutcliffe, P.Geo., Tracy Armstrong, P.Geo. and Antoine Yassa, P. Geo. of P & E Mining Consultants Inc. authored the Technical Report. The authors of the Technical Report have reviewed and approved the summary of the Technical Report contained in this information circular. None of Eugene Puritch, Richard Sutcliffe, Tracy Armstrong, or Antoine Yassa nor any director, officer or partner of P & E Mining Consultants Inc.: (i) has received a direct or indirect interest on the property of Explor or any associate or affiliate of Explor; or (ii) is currently expected to be elected, appointed or employed as a director, officer or employee of Explor or of any associates or affiliates of Explor. To Explor's knowledge, as of the date hereof, the aforementioned persons do not beneficially own, control or direct, directly or indirectly, any outstanding securities of Explor.

SGS Canada Inc. and James MacDonald, Senior Metallurgist, Extractive Metallurgy Group, Gold, authored the metallurgical report dated May 25, 2018 entitled “An Investigation into recovery of gold from a Timmins Porcupine West Project Sample”.

OTHER MATERIAL FACTS

There are no other material facts known the management of Explor other than as disclosed in this circular.

SCHEDULE D
EXPLOR FINANCIAL STATEMENTS

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30, 2019
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2019

DALLAIRE & LAPOINTE INC.

MARC DALLAIRE, CPA, CA
RAYMOND LAPOINTE, CPA, CA
FRANÇOIS DUMONT, CPA, CA

RESSOURCES EXPLOR INC. (société d'exploration)
RAPPORT FINANCIER ANNUEL
EXERCICES CLOS LE 30 AVRIL 2019 ET LE 30 AVRIL 2018

EXPLOR RESOURCES INC. (an exploration corporation)
ANNUAL FINANCIAL REPORT
YEARS ENDED APRIL 30, 2019 AND APRIL 30, 2018

RAPPORT DE L'AUDITEUR INDÉPENDANT	**INDEPENDENT AUDITOR'S REPORT**
ÉTATS FINANCIERS	**FINANCIAL STATEMENTS**
États de la situation financière	Statements of financial position
États de la perte nette et de la perte globale	Statements of net loss and comprehensive loss
États des variations des capitaux propres	Statements of changes in equity
Tableaux des flux de trésorerie	Statements of cash flows
Notes aux états financiers	Notes to financial statements

DALLAIRE & LAPOINTE INC.

MARC DALLAIRE, CPA, CA
RAYMOND LAPOINTE, CPA, CA
FRANÇOIS DUMONT, CPA, CA

RAPPORT DE L'AUDITEUR INDÉPENDANT

Aux actionnaires de
RESSOURCES EXPLOR INC.

Opinion

Nous avons effectué l'audit des états financiers ci-joints de la société Ressources Explor inc., qui comprennent les états de la situation financière au 30 avril 2019 et au 30 avril 2018, et les états de la perte nette et de la perte globale, les états des variations des capitaux propres et les tableaux des flux de trésorerie pour les exercices terminés à ces dates, ainsi que les notes complémentaires, y compris le résumé des principales méthodes comptables.

À notre avis, les états financiers ci-joints donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de la Société au 30 avril 2019 et au 30 avril 2018, ainsi que de sa performance financière et de ses flux de trésorerie pour les exercices terminés à ces dates, conformément aux Normes internationales d'information financière (IFRS).

Fondement de l'opinion

Nous avons effectué notre audit conformément aux normes d'audit généralement reconnues du Canada. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section «Responsabilités de l'auditeur à l'égard de l'audit des états financiers» du présent rapport. Nous sommes indépendants de la Société conformément aux règles de déontologie qui s'appliquent à notre audit des états financiers au Canada et nous nous sommes acquittés des autres responsabilités déontologiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion.

Incertitude significative liée à la continuité de l'exploitation

Nous attirons l'attention sur la note 1 des états financiers qui indique que la Société enregistre des pertes importantes année après année et qu'elle a accumulé un déficit de 45 606 750 $ au 30 avril 2019. En effet, celle-ci étant au stade de l'exploration, elle n'a pas de revenu provenant de son exploitation. Par conséquent, la Société dépend de sa capacité à obtenir du financement afin de s'acquitter de ses engagements et obligations dans le cours normal de ses activités. La direction cherche périodiquement à obtenir du financement sous forme d'émission d'actions, de débentures, d'exercice de bons de souscription et d'options d'achat d'actions afin de poursuivre ses activités et il n'y a aucune garantie de réussite pour l'avenir. Ces conditions, combinées aux autres éléments décrits à la note 1, indiquent l'existence d'une incertitude significative susceptible de jeter un doute sur la capacité de la Société à poursuivre son exploitation. Notre opinion n'est pas modifiée à l'égard de ce point.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
EXPLOR RESOURCES INC.

Opinion

We have audited the accompanying financial statements of the company Explor Resources Inc., which comprise the statements of financial position as at April 30, 2019 and as at April 30, 2018, and the statements of net loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended and notes to financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at April 30, 2019 and as at April 30, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Significant Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements which indicates that the Corporation recorded significant losses year after year and it has accumulated a deficit amounting to $45,606,750 as at April 30, 2019. In fact, the Corporation is in exploration stage and it has no revenue from its operating activities. Accordingly, the Corporation depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of business. Management periodically seeks additional forms of financing through the issuance of shares, debentures and the exercise of warrants and share purchase options to continue its operations and, there is no guarantee of success for the future. These conditions, along with other matters as set forth in note 1, indicate the existence of a significant uncertainty that may cast doubt about the Corporation's ability to continue as a going concern. Our opinion is not modified on this point.

Informations autres que les états financiers et le rapport de l'auditeur sur ces états

La responsabilité des autres informations incombe à la direction. Les autres informations se composent des informations contenues dans le rapport de gestion au 30 avril 2019, mais ne comprennent pas les états financiers et notre rapport de l'auditeur sur ces états.

Notre opinion sur les états financiers ne s'étend pas aux autres informations et nous n'exprimons aucune forme d'assurance que ce soit sur ces informations.

En ce qui concerne notre audit des états financiers, notre responsabilité consiste à lire les autres informations et, ce faisant, à apprécier s'il existe une incohérence significative entre celles-ci et les états financiers ou la connaissance que nous avons acquise au cours de l'audit, ou encore si les autres informations semblent autrement comporter une anomalie significative.

Nous avons obtenu le rapport de gestion avant la date du présent rapport. Si, à la lumière des travaux que nous avons effectués sur les autres informations, nous concluons à la présence d'une anomalie significative dans celles-ci, nous sommes tenus de signaler ce fait dans le présent rapport. Nous n'avons rien à signaler à cet égard.

Responsabilités de la direction et des responsables de la gouvernance à l'égard des états financiers

La direction est responsable de la préparation et de la présentation fidèle de ces états financiers conformément aux IFRS, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Lors de la préparation des états financiers, c'est à la direction qu'il incombe d'évaluer la capacité de la Société à poursuivre son exploitation, de communiquer, le cas échéant, les questions relatives à la continuité de l'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la direction a l'intention de liquider la Société ou de cesser son activité ou si aucune autre solution réaliste ne s'offre à elle.

Il incombe aux responsables de la gouvernance de surveiller le processus d'information financière de la Société.

Responsabilités de l'auditeur à l'égard de l'audit des états financiers

Nos objectifs sont d'obtenir l'assurance raisonnable que les états financiers pris dans leur ensemble sont exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, et de délivrer un rapport de l'auditeur contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes d'audit généralement reconnues du Canada permettra toujours de détecter toute anomalie significative qui pourrait exister.

Information Other Than the Financial Statements and the Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the management discussions and analysis as at April 30, 2019, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the management discussions and analysis prior to the date of this report. If, based on the work we have performed on the other information, we conclude that there is a material misstatement in the information, we are required to report that fact in this report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities For the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Responsabilités de l'auditeur à l'égard de l'audit des états financiers (suite)

Les anomalies peuvent résulter de fraudes ou d'erreurs et elles sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce qu'elles, individuellement ou collectivement, puissent influer sur les décisions économiques que les utilisateurs des états financiers prennent en se fondant sur ceux-ci.

Dans le cadre d'un audit réalisé conformément aux normes d'audit généralement reconnues du Canada, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique tout au long de cet audit. En outre:

- nous identifions et évaluons les risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, concevons et mettons en œuvre des procédures d'audit en réponse à ces risques, et réunissons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative résultant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne;
- nous acquérons une compréhension des éléments du contrôle interne pertinents pour l'audit afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de la Société;
- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que des informations y afférentes fournies par cette dernière;
- nous tirons une conclusion quant au caractère approprié de l'utilisation par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité de la Société à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états financiers au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants obtenus jusqu'à la date de notre rapport. Des événements ou situations futurs pourraient par ailleurs amener la Société à cesser son exploitation;

Auditor's Responsibilities For the Audit of the Financial Statements (continued)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern;

Responsabilités de l'auditeur à l'égard de l'audit des états financiers (suite)

- nous évaluons la présentation d'ensemble, la structure et le contenu des états financiers, y compris les informations fournies dans les notes, et apprécions si les états financiers représentent les opérations et événements sous-jacents d'une manière propre à donner une image fidèle.

Nous communiquons aux responsables de la gouvernance notamment l'étendue et le calendrier prévus des travaux d'audit et nos constatations importantes, y compris toute déficience importante du contrôle interne que nous aurions relevée au cours de notre audit.

Nous fournissons également aux responsables de la gouvernance une déclaration précisant que nous nous sommes conformés aux règles de déontologie pertinentes concernant l'indépendance, et leur communiquons toutes les relations et les autres facteurs qui peuvent raisonnablement être considérés comme susceptibles d'avoir des incidences sur notre indépendance ainsi que les sauvegardes connexes s'il y a lieu.

L'associé responsable de la mission d'audit au terme de laquelle le présent rapport de l'auditeur indépendant est délivré est Marc Dallaire, CPA, auditeur, CA

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Marc Dallaire, CPA auditor, CA.

(signé / signed) Dallaire & Lapointe inc. [1]

Rouyn-Noranda, Canada
27 août 2019
August 27, 2019

1 CPA auditeur, CA, permis de comptabilité publique no A113315
CPA auditor, CA, public accountancy permit No. A113315

ÉTATS DE LA SITUATION FINANCIÈRE AU 30 AVRIL
(en dollars canadiens)

STATEMENTS OF FINANCIAL POSITION AS AT APRIL 30
(in Canadian dollars)

	2019	2018	
	$	$	
ACTIF			**ASSETS**
Actif courant			**Current assets**
Placements (note 4)	163 820	262 112	Investments (Note 4)
Autres débiteurs	2 185	-	Other receivables
Frais payés d'avance	10 136	68 582	Prepaid expenses
Taxes à recevoir	9 039	155 913	Taxes receivable
	185 180	486 607	
Actif non courant			**Non-current assets**
Encaisse réservée à la prospection et à l'évaluation	7 977	169 840	Cash reserved for exploration and evaluation
Dépôt à terme réservé à la prospection et à l'évaluation, 1,3 % (1 % en 2018)	57 050	56 346	Term deposit reserved for exploration and evaluation, 1.3% (1% in 2018)
Avances sur travaux de prospection et d'évaluation	2 386	7 521	Advances on exploration and evaluation expenses
Avances à une société liée, sans intérêt ni modalité de remboursement (note 15)	-	41 809	Advances to a related company, without interest and repayment term (Note 15)
Immobilisations corporelles (note 5)	39 802	50 922	Property, plant and equipment (Note 5)
Actifs de prospection et d'évaluation (note 6)	29 801 008	35 657 359	Exploration and evaluation assets (Note 6)
	29 908 223	35 983 797	
Total de l'actif	**30 093 403**	**36 470 404**	**Total assets**
PASSIF			**LIABILITIES**
Passif courant			**Current liabilities**
Créditeurs et charges à payer	636 037	254 275	Accounts payable and accrued liabilities
Provision pour pénalités et impôts de la Partie XII.6 (note 16)	349 060	349 060	Accrued penalties and Part XII.6 taxes (Note 16)
Dû à des administrateurs, sans intérêt	30 872	4 321	Due to directors, without interest
Dû à des sociétés liées, sans intérêt (note 15)	59 169	1 772	Due to related companies, without interest (Note 15)
Composante dette des débentures convertibles (note 8)	2 033 327	1 833 180	Debt component of convertible debentures (Note 8)
Portion court terme de la dette à long terme (note 9)	832 714	622 409	Current portion of long-term debt (Note 9)
	3 941 179	3 065 017	
Passif non courant			**Non-current liabilities**
Autre passif (note 10)	20 456	208 381	Other liability (Note 10)
Impôts sur le résultat et impôts différés (note 13)	-	141 100	Income taxes and deferred taxes (Note 13)
	20 456	349 481	
Total du passif	3 961 635	3 414 498	**Total liabilities**
CAPITAUX PROPRES			**EQUITY**
Capital-social (note 11)	56 786 742	56 786 742	Capital stock (Note 11)
Composante capitaux propres des débentures convertibles (note 8)	127 280	172 210	Equity components of convertible debentures (Note 8)
Surplus d'apport	14 578 760	13 761 968	Contributed surplus
Bons de souscription	245 736	900 458	Warrants
Déficit	(45 606 750)	(38 565 472)	Deficit
Total des capitaux propres	26 131 768	33 055 906	Total equity
Total du passif et des capitaux propres	**30 093 403**	**36 470 404**	**Total liabilities and equity**

PASSIFS ÉVENTUELS ET ENGAGEMENTS (notes 16 et 17) **CONTINGENT LIABILITIES AND COMMITMENTS** (Notes 16 and 17)

POUR LE CONSEIL D'ADMINISTRATION / ON BEHALF OF THE BOARD,

Christian Dupont (signé / signed) , Administrateur - Director Rodrigue Tremblay (signé / signed) , Chef des finances - Chief Financial Officer

ÉTATS DE LA PERTE NETTE ET DE LA PERTE GLOBALE EXERCICES CLOS LES 30 AVRIL
(en dollars canadiens)

STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS YEARS ENDED APRIL 30
(in Canadian dollars)

	2019	2018	
CHARGES	$	$	**EXPENSES**
Taxes et permis	25 225	16 843	Taxes and permits
Frais de location	19 410	22 709	Rent expenses
Frais de bureau	17 391	39 633	Office expenses
Frais de déplacement et représentation	48 027	95 511	Travelling and entertainment expenses
Assurances	14 261	4 069	Insurance
Inscription, registrariat et information aux actionnaires	37 727	102 720	Registration, listing fees and shareholders' information
Honoraires de consultants	256 304	412 841	Consultant fees
Honoraires professionnels	244 349	350 209	Professional fees
Amortissement des immobilisations corporelles	11 120	12 576	Depreciation of property, plant and equipment
Rémunération et paiements fondés sur des actions	58 300	281 309	Share-based compensation
Intérêts et frais bancaires	2 831	6 135	Interest and bank expenses
Intérêts sur les débentures	303 841	420 116	Interest on debentures
Intérêts sur la dette à long terme	38 199	36 996	Interest on long-term debt
Coûts de transaction des débentures constatés	13 730	24 275	Transaction costs of debentures recognized
Compensations payées relativement au maintien de claims miniers	-	19 370	Compensation paid in relation with good standing of mining claims
Compensation aux investisseurs	-	7 244	Compensation to investors
Impôts de la Partie XII.6	261 839	17 257	Part XII.6 taxes
Dépréciation d'actifs de prospection et d'évaluation	5 975 078	-	Impairment of exploration and evaluation assets
	7 327 632	1 869 813	
AUTRES			**OTHER**
Variation de la juste valeur des placements	98 292	(25 180)	Changes in fair value of investments
Perte sur règlement d'une créance	-	57 723	Loss on receivable settlement
Revenus	(55 621)	(675)	Revenues
	42 671	31 868	
PERTE AVANT IMPÔTS	7 370 303	1 901 681	**LOSS BEFORE INCOME TAXES**
Impôts sur le résultat et impôts différés (note 13)	(329 025)	(50 389)	Income taxes and deferred taxes (Note 13)
PERTE NETTE ET PERTE GLOBALE	7 041 278	1 851 292	**NET LOSS AND COMPREHENSIVE LOSS**
PERTE NETTE PAR ACTION DE BASE ET DILUÉE	0,04	0,01	**BASIC AND DILUTED NET LOSS PER SHARE**
NOMBRE MOYEN PONDÉRÉ D'ACTIONS EN CIRCULATION	190 396 676	163 514 507	**WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING**

Les notes aux états financiers font partie intégrante des états financiers.

The accompanying notes are an integral part of these financial statements.

ÉTATS DES VARIATIONS DES CAPITAUX PROPRES
(en dollars canadiens)

STATEMENTS OF CHANGES IN EQUITY
(in Canadian dollars)

	Capital-social / Capital Stock	Composantes capitaux propres des débentures convertibles / Equity components of convertible debentures	Bons de souscription / Warrants	Surplus d'apport / Contributed Surplus	Déficit / Deficit	Total des capitaux propres / Total Equity	
	$	$	$	$	$	$	
Solde au 30 avril 2017	**54 511 880**	**176 360**	**619 092**	**13 461 992**	**(36 714 180)**	**32 055 144**	**Balance as at April 30, 2017**
Perte nette et perte globale de l'exercice	-	-	-	-	(1 851 292)	(1 851 292)	Net loss and comprehensive loss for the year
Options octroyées dans le cadre du régime	-	-	-	281 309	-	281 309	Options granted in relation with the plan
Émission d'actions et de bons de souscription	2 062 933	-	232 866	-	-	2 295 799	Issuance of shares and warrants
Débentures converties	34 839	(4 150)	-	-	-	30 689	Debentures converted
Autres émissions d'actions	382 000	-	-	-	-	382 000	Other share issuances
Émission d'options aux courtiers et à des intervenants	-	-	-	18 667	-	18 667	Brokers and intermediaries' options granted
Modification aux bons de souscription	(48 500)	-	48 500	-	-	-	Modification of warrants
Frais d'émission d'actions	(156 410)	-	-	-	-	(156 410)	Share issuance expenses
Solde au 30 avril 2018	**56 786 742**	**172 210**	**900 458**	**13 761 968**	**(38 565 472)**	**33 055 906**	**Balance as at April 30, 2018**

Les notes aux états financiers font partie intégrante des états financiers.

The accompanying notes are an integral part of these financial statements.

ÉTATS DES VARIATIONS DES CAPITAUX PROPRES
(en dollars canadiens)

STATEMENTS OF CHANGES IN EQUITY
(in Canadian dollars)

	Capital-social / Capital Stock	Composantes capitaux propres des débentures convertibles / Equity components of convertible debentures	Bons de souscription / Warrants	Surplus d'apport / Contributed Surplus	Déficit / Deficit	Total des capitaux propres / Total Equity	
	$	$	$	$	$	$	
Solde au 30 avril 2018	**56 786 742**	**172 210**	**900 458**	**13 761 968**	**(38 565 472)**	**33 055 906**	**Balance as at April 30, 2018**
Perte nette et perte globale de l'exercice	-	-	-	-	(7 041 278)	(7 041 278)	Net loss and comprehensive loss for the year
Options octroyées dans le cadre du régime	-	-	-	58 300	-	58 300	Options granted in relation with the plan
Composante capitaux propres des débentures convertibles et bons de souscription	-	45 970	12 870	-	-	58 840	Equity component of convertible debentures and warrants
Bons de souscription expirés	-	-	(667 592)	667 592	-	-	Warrants expired
Transfert de la composante capitaux propres de débentures échues	-	(90 900)	-	90 900	-	-	Transfer of equity component of expired debentures
Solde au 30 avril 2019	**56 786 742**	**127 280**	**245 736**	**14 578 760**	**(45 606 750)**	**26 131 768**	**Balance as at April 30, 2019**

Les notes aux états financiers font partie intégrante des états financiers.

The accompanying notes are an integral part of these financial statements.

TABLEAUX DES FLUX DE TRÉSORERIE | **STATEMENTS OF CASH FLOWS**
EXERCICES CLOS LES 30 AVRIL | **YEARS ENDED APRIL 30**
(en dollars canadiens) | (in Canadian dollars)

	2019	**2018**	
	$	$	
ACTIVITÉS OPÉRATIONNELLES			**OPERATING ACTIVITIES**
Perte nette et perte globale	(7 041 278)	(1 851 292)	Net loss and comprehensive loss
Éléments n'impliquant aucun mouvement de trésorerie :			Items not involving cash:
Amortissement des immobilisations corporelles	11 120	12 576	Depreciation of property, plant and equipment
Rémunération et paiements fondés sur des actions	58 300	281 309	Share-based compensation
Intérêts théoriques sur les débentures	145 257	273 422	Theoretical interest on debentures
Coûts de transaction des débentures constatés	13 730	24 275	Transaction costs of debentures recognized
Variation de la juste valeur des placements	98 292	(25 180)	Changes in fair value of investments
Perte sur règlement d'une créance	-	57 723	Loss on receivable settlement
Impôts de la Partie XII.6	172 106	-	Part XII.6 taxes
Intérêts sur la dette à long terme	38 199	-	Interest on long-term debt
Dépréciation d'actifs de prospection et d'évaluation	5 975 078	-	Impairment of exploration and evaluation assets
Impôts sur le résultat et impôts différés	(329 025)	(50 389)	Income taxes and deferred taxes
	(858 221)	(1 277 556)	
Variation nette des éléments hors caisse du fonds de roulement (note 14)	584 897	(143 196)	Net change in non-cash operating working capital items (Note 14)
	(273 324)	(1 420 752)	
ACTIVITÉS D'INVESTISSEMENT			**INVESTMENT ACTIVITIES**
Encaisse réservée à la prospection et à l'évaluation	161 863	(102 991)	Cash reserved for exploration and evaluation
Encaisse en fidéicommis réservée à la prospection et à l'évaluation	-	804 956	Cash in trust reserved for exploration and evaluation
Dépôt à terme réservé à la prospection et à l'évaluation	(704)	(385)	Term deposit reserved for exploration and evaluation
Acquisition d'immobilisations corporelles	-	(8 300)	Acquisition of property, plant and equipment
Avances à une société liée	41 809	(43 227)	Advances to a related company
Avances sur travaux de prospection et d'évaluation	5 135	206 484	Advances on exploration and evaluation expenses
Actifs de prospection et d'évaluation	(118 727)	(1 483 730)	Exploration and evaluation assets
	89 376	(627 193)	
ACTIVITÉS DE FINANCEMENT			**FINANCING ACTIVITIES**
Dû à des administrateurs	26 551	(2 753)	Due to directors
Dû à des sociétés liées	57 397	(2 467)	Due to related companies
Émission de débentures convertibles	100 000	-	Convertible debentures issuance
Remboursement de débentures convertibles	-	(15 000)	Convertible debentures repaid
Remboursement de la dette à long terme	-	(325 097)	Long-term debt repaid
Produit de l'émission d'actions	-	2 486 005	Proceed of share issuance
Frais d'émission d'actions	-	(137 743)	Share issuance expenses
	183 948	2 002 945	
DIMINUTION DE LA TRÉSORERIE ET ÉQUIVALENTS DE TRÉSORERIE	-	(45 000)	**CASH AND CASH EQUIVALENTS DECREASE**
TRÉSORERIE ET ÉQUIVALENTS DE TRÉSORERIE, AU DÉBUT	-	45 000	**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**
TRÉSORERIE ET ÉQUIVALENTS DE TRÉSORERIE, À LA FIN	-	-	**CASH AND CASH EQUIVALENTS, END OF YEAR**
Information additionnelle :			Additional information:
Intérêts encaissés	704	385	Interest received

La trésorerie et les équivalents de trésorerie sont constitués de l'encaisse. | Cash and equivalents consist of cash.

Les notes aux états financiers font partie intégrante des états financiers. | The accompanying notes are an integral part of these financial statements.

1- STATUTS CONSTITUTIFS, NATURE DES ACTIVITÉS ET CONTINUITÉ DE L'EXPLOITATION

Ressources Explor inc. (la « Société » ou « Explor »), continuée en vertu de la Loi sur les sociétés par actions (Alberta), se spécialise dans l'acquisition et dans l'exploration de propriétés minières au Canada. Les symboles boursiers de la Société sont E1H1 à la Bourse de Francfort et Berlin et EXS à la Bourse de croissance TSX. Le siège social de la Société est situé au 15 Gamble Est, bureau 204, Rouyn-Noranda (Québec), Canada.

La Société n'a pas encore déterminé si les propriétés minières renferment des réserves de minerai pouvant être exploitées économiquement. L'exploration et la mise en valeur de gisements de minéraux impliquent d'importants risques financiers. Le succès de la Société dépendra d'un certain nombre de facteurs, entre autres, les risques liés à l'exploration et à l'extraction, les questions relatives à la réglementation ainsi que les règlements en matière d'environnement et autres règlements.

Pour l'exercice clos le 30 avril 2019, la Société a enregistré une perte nette de 7 041 278 $ (1 851 292 $ $ en 2018). De plus, elle enregistre des pertes importantes année après année et a accumulé un déficit de 45 606 750 $ au 30 avril 2019. La Société étant au stade de l'exploration, elle n'a donc pas de revenu provenant de son exploitation. Par conséquent, la Société dépend de sa capacité à obtenir du financement afin de s'acquitter de ses engagements et obligations dans le cours normal de ses activités. La direction de la Société cherche ardemment à obtenir du financement additionnel sous forme d'émission d'actions, de débentures et d'exercice de bons de souscription et d'options d'achat d'actions. De plus, elle travaille continuellement à tenter de conclure des ententes d'options sur ses propriétés minières, à conclure des ententes de coparticipation sur celles-ci ou disposer de certains actifs. Elle devra réussir afin de poursuivre ses activités mais, il n'y a aucune garantie de réussite pour l'avenir.

Au cours de l'exercice clos le 30 avril 2019, la Société n'a pas réussi à trouver du financement par actions à part la rénégociation des débentures échues. En relation avec des conventions d'actions accréditives passées, la Société n'a pas complété les travaux de prospection et d'évaluation requis dans les délais statutaires du 31 décembre 2013, du 31 décembre 2014 et du 31 décembre 2018. Ce fait n'améliore pas la capacité de la Société à trouver du financement supplémentaire.

1- ARTICLES OF INCORPORATION, NATURE OF ACTIVITIES AND GOING CONCERN

Explor Resources Inc. (the "Corporation" or "Explor"), continued under the Business Corporations Act (Alberta), is engaged in the acquisition and exploration of mining properties in Canada. The trading symbol of the Corporation is E1H1 on the Frankfurt and Berlin Stock Exchanges and EXS on the TSX Venture Exchange. The address of the Corporation's registered office is located at 15 Gamble East, Suite 204, Rouyn-Noranda (Quebec), Canada.

The Corporation has not yet determined whether the mining properties have economically recoverable ore reserves. The exploration and development of mineral deposits involves significant financial risks. The success of the Corporation will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

For the year ended April 30, 2019, the Corporation recorded a net loss of $7,041,278 ($1,851,292 in 2018). In addition, it records significant losses year after year and has accumulated a deficit of $45,606,750 as at April 30, 2019. The Corporation is in exploration stage and, as such, no revenue has been generated yet from its operating activities. Accordingly, the Corporation depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of business. The Corporation's management is actively seeking additional forms of financing through the issuance of shares, of debentures and the exercise of warrants and share purchase options. In addition, it continually strives to enter into option agreements on its mining properties, enter into joint venture agreements or dispose of certain assets. It will have to succeed in order to continue its operations but, there is no guarantee of success for the future.

During the year ended April 30, 2019, the Corporation failed to find additional financing in shares other than the renegotiation of the expired debentures. In relation with past flow-through shares agreements, the Corporation did not complete exploration and evaluation expenses required within the statutory deadlines of December 31, 2013, of December 31, 2014 and of December 31, 2018. This fact does not improve the Corporation's ability to find additional financing.

1- STATUTS CONSTITUTIFS, NATURE DES ACTIVITÉS ET CONTINUITÉ DE L'EXPLOITATION (suite)

Au 30 avril 2019, la Société a un montant d'environ 349 000 $ dans son état de la situation financière à titre de provision pour pénalités et impôts de la Partie XII.6 qui n'a pas encore fait l'objet d'une cotisation par le gouvernement provincial. Elle a également des impôts de la Partie XII.6 à payer au provincial d'un montant d'environ 90 000 $ présenté dans les créditeurs et charges à payer. Par ailleurs, en relation avec le non-respect de conventions d'actions accréditives, la Société a un montant d'environ 830 000 $ payable à l'ARC présenté dans la portion court terme de la dette à long terme. Ce non-respect réglementaire amène un risque fiscal important pour les investisseurs concernés et a un impact financier important pour la Société.

Actuellement, la direction de la Société est optimiste qu'elle pourra réunir suffisamment de liquidités pour prendre en charge ses passifs financiers actuels provenant de ses engagements. Si la direction ne parvenait pas à obtenir de nouveaux fonds, la Société pourrait alors être dans l'incapacité de poursuivre ses activités, et les montants réalisés à titre d'actifs pourraient être moins élevés que les montants inscrits dans les présents états financiers.

Bien que la direction ait pris des mesures pour vérifier le droit de propriété concernant les propriétés minières dans lesquelles la Société détient une participation conformément aux normes de l'industrie visant la phase courante d'exploration de ces propriétés, ces procédures ne garantissent pas le titre de propriété à la Société. Le titre de propriété peut être assujetti à des accords antérieurs non reconnus et ne pas être conforme aux exigences en matière de réglementation.

Les états financiers ci-joints ont été établis selon l'hypothèse de la continuité de l'exploitation, où les actifs sont réalisés et les passifs acquittés dans le cours normal des activités et ne tiennent pas compte des ajustements qui devraient être effectués à la valeur comptable des actifs et des passifs, aux montants présentés au titre des produits et des charges et au classement des postes de l'état de la situation financière si l'hypothèse de la continuité de l'exploitation n'était pas fondée. Les ajustements pourraient être importants.

Les présents états financiers ont été approuvés par le conseil d'administration le 27 août 2019.

1- ARTICLES OF INCORPORATION, NATURE OF ACTIVITIES AND GOING CONCERN (continued)

As at April 30, 2019, the Corporation has an amount of approximately $349,000 as accrued penalties and part XII.6 taxes that has not been yet assessed by the government of Quebec. It also has provincial Part XII.6 taxes payable in the amount of approximately $90,000 presented in accounts payable and accrued liabilities. Furthermore, in relation with the non-respect of flow-through share agreements, the Corporation has an amount of approximately $830,000 payable to the CRA in the current portion of long-term debt. That non-regulatory compliance brings to a significant fiscal risk for the concerned investors and has an important financial impact for the Corporation.

At this time, the Corporation's management is optimistic to raise sufficient funds to meet its actual financial liabilities from its commitments. If the management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

Although management has taken measures to verify titles of the mining properties in which the Corporation has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation's property title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations and do not reflect the adjustments to the carrying value of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

These financial statements were approved by the Board of Directors on August 27, 2019.

2- APPLICATION DES IFRS NOUVELLES ET RÉVISÉES

IFRS nouvelles et révisées, publiées mais non encore entrées en vigueur

IFRS 16, Contrats de location

En janvier 2016, l'IASB a publié IFRS 16 laquelle remplace IAS 17, Contrats de location. IFRS 16 supprime le classement à titre de location simple et impose aux preneurs de constater tous les contrats de location à l'état de la situation financière en comptabilisant un droit d'utilisation et une obligation locative. Une exemption est permise pour les contrats de location à court terme et pour les contrats de location pour lesquels l'actif sous-jacent est de faible valeur. IFRS 16 modifie la définition du contrat de location, établit les exigences de comptabilisation de l'actif et du passif, modifie la comptabilisation des accords de cession-bail et présente des nouvelles obligations d'information. L'approche d'IAS 17 pour la comptabilisation des contrats de location par le bailleur est conservée. IFRS 16 s'applique aux exercices ouverts à compter du 1er janvier 2019 et l'adoption anticipée est permise dans certaines circonstances. La Société n'a pas encore déterminé l'incidence de l'adoption de cette norme sur ses états financiers.

IAS 19, Avantages du personnel

En février 2018, l'IASB a publié les modifications à IAS 19, Avantages du personnel, visant à intégrer les modifications à la norme suite à la modification, la réduction ou la liquidation d'un régime. Les modifications précisent le fait que l'entité qui réévalue le passif net (l'actif net) au titre des prestations définies par suite de la modification, la réduction ou la liquidation d'un régime doit utiliser les hypothèses mises à jour ayant servi à cette réévaluation pour calculer le coût des services rendus et les intérêts nets pour la portion restante de l'exercice après la modification. Elles précisent aussi l'incidence de la modification, la réduction ou la liquidation d'un régime sur les dispositions relatives au plafond de l'actif. Cette norme s'applique aux exercices ouverts à compter du 1er janvier 2019, l'adoption anticipée étant permise. La Société n'a pas encore déterminé l'incidence de l'adoption de cette norme sur ses états financiers.

IFRS nouvelles et révisées, adoptés au cours de l'exercice

IFRS 9, Instruments financiers

Le 1er mai 2018, la Société a adopté l'IFRS 9 de manière rétrospective, avec le retraitement des données comparatives conformément aux dispositions transitoires de IFRS 9. IFRS 9 définit les exigences relatives à la comptabilisation des actifs et passifs financiers et remplace l'IAS 39, Instruments financiers: Comptabilisation et évaluation. Le détail de ces nouvelles exigences qui sont pertinentes pour la Société ainsi que leurs incidences sur les états financiers de la Société sont décrites ci-dessous.

2- APPLICATION OF NEW AND REVISED IFRS

New and Revised IFRS in Issue but Not Yet Effective

IFRS 16, Leases

In January 2016, the IASB published IFRS 16 which replaces IAS 17, Leases. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statements of financial position for all leases with exemptions permitted for short term leases and leases of low value assets. IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and the liability, changes the accounting for sale and leaseback arrangements and introduces new disclosure requirements. IAS 17 approach to lessor accounting is largely retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1st, 2019 with early application permitted in certain circumstances. The Corporation has not yet assessed the impact of this new standard on its financial statements.

IAS 19, Employee Benefits

In February 2018, IASB published changes to IAS 19, Employee benefits, aiming to integrate modifications to the standard related to a plan amendment, curtailment or settlement. Changes give precisions on the fact that entity who remeasures net liabilities (net asset) related to the benefits payments defined further to a plan amendment, curtailment or settlement must use updated assumptions that were used to measure the past service cost and net interests for the remainder of the annual reporting period after the changes. They also give precisions on impact of a plan amendment, curtailment or settlement related to the effect of the asset ceiling. This standard is effective on or after January 1st, 2019 with early application permitted. The Corporation has not yet assessed the impact of this new standard on its financial statements.

New and Revised IFRS, adopted during the year ended

IFRS 9 Financial Instruments

Effective May 1st, 2018, the Corporation has adopted IFRS 9 on a retrospective basis with restatement of comparative periods in accordance with the transitional provision of IFRS 9. IFRS 9 sets out requirements for recognizing financial assets and liabilities and replaces IAS 39, Financial Instruments: Recognition and Measurement. Details of the new requirements that apply to the Corporation and their impact on its financial statements are presented below.

2- APPLICATION DES IFRS NOUVELLES ET RÉVISÉES (suite)

IFRS nouvelles et révisées, adoptés au cours de l'exercice (suite)

IFRS 9, Instruments financiers (suite)

Pour la Société, la date d'application initiale est le 1er mai 2018. Par conséquent, la Société a appliqué les exigences d'IFRS 9 aux instruments financiers qui n'ont pas été comptabilisés au 1er mai 2018 et n'a pas appliqué les exigences aux instruments financiers qui étaient déjà décomptabilisés au 1er mai 2018. Les montants comparatifs relatifs aux instruments financiers qui n'ont pas été décomptabilisés au 1er mai 2018 ont été retraités le cas échéant.

L'adoption de la norme IFRS 9 a eu pour effet de modifier le classement des actifs financiers mais n'a pas modifié le classement des passifs financiers. La trésorerie et équivalents de trésorerie, l'encaisse réservée à la prospection et à l'évaluation, les autres débiteurs, les avances sur travaux de prospection et d'évaluation et les avances à une société liée classés dans les prêts et créances selon IAS 39 sont dorénavant classés au coût amorti selon IFRS 9. Le dépôt à terme réservé à la prospection et à l'évaluation a conservé le même classement, soit comme actif financier à la juste valeur par le biais du résultat net.

Les placements qui étaient auparavant désignés comme actifs financiers disponible à la vente et qui étaient évalués à la juste valeur à chaque date de clôture selon IAS 39 seront maintenant classés dans la catégorie à la juste valeur par le biais du résultat net selon IFRS 9. Les gains ou les pertes non réalisés qui étaient présentés dans les autres éléments du résultat global jusqu'à ce que ces gains ou pertes soient réalisés ou qu'une baisse de valeur de l'actif financier soit considérée comme durable seront désormais imputés aux résultats nets. Cette modification a entraîné les ajustements suivants non significatif sur les états financiers de l'exercice précédent :

2- APPLICATION OF NEW AND REVISED IFRS (continued)

New and Revised IFRS, adopted during the year ended (continued)

IFRS 9 Financial Instruments (continued)

The Corporation date of initial application is May 1st, 2018. Accordingly, the Corporation applied the requirements of IFRS 9 to financial instruments that were not recognized as at May 1st, 2018 and did not apply the requirements to financial instruments that were already derecognized as at May 1st, 2018. Comparative amounts with respect to financial instruments that were not derecognized as at May 1st, 2018 were restated as applicable.

The adoption of IFRS 9 resulted in a change in classification of the financial assets but did not change the classification of financial liabilities. Cash and cash equivalent, cash reserved for exploration and evaluation, other receivables, advances on exploration and evaluation expenses and advances to a related company classified as loans and receivable in accordance with IAS 39 are now classified at amortized cost in accordance with IFRS 9. The term deposit reserved to exploration and evaluation has retained the same classification as a financial asset at fair value through profit or loss.

Investments that were previously designated as available-for-sale financial assets and that were measured at fair value at each closing date under IAS 39 are now classified at fair value through profit or loss under IFRS 9. Unrealized gains or losses that were presented in other comprehensive income until the gains or losses were realized or a decline in value was other than temporary are now recognized in net income (loss). This change led to the following immaterial adjustments in the prior year's financial statements:

Augmentation du gain sur la valeur des placements de l'exercice 2018	25 180 $	Increase of gain of value on investments for 2018
Diminution de la perte avant impôts et de la perte nette	25 180 $	Decrease of loss before income taxes and net loss
Diminution du cumul des autres éléments du résultat global au 30 avril 2018	85 639 $	Decrease in accumulated other comprehensive income as at April 30, 2018
Diminution du cumul des autres éléments du résultat global au 1er mai 2017	60 459 $	Decrease in accumulated other comprehensive income as at May 1st, 2017
Diminution du déficit au 30 avril 2018	85 639 $	Decrease in deficit as at April 30, 2018
Diminution du déficit au 1er mai 2017	60 459 $	Decrease in deficit as at May 1st, 2017

2- APPLICATION DES IFRS NOUVELLES ET RÉVISÉES (suite)

IFRS nouvelles et révisées, adoptés au cours de l'exercice (suite)

IFRS 15, Produits des activités ordinaires tirés de contrat conclus avec des clients

En mai 2014, l'IASB a publié IFRS 15 laquelle remplace IAS 18 Produits des activités ordinaires, IAS 11 Contrats de construction, ainsi que certaines interprétations relatives aux produits. IFRS 15 établit un nouveau modèle de comptabilisation des produits fondé sur le contrôle, modifie le fondement pour déterminer quand les produits sont comptabilisés à un moment précis ou progressivement, fournit de nouvelles indications plus détaillées sur des sujets particuliers et améliore et augmente les informations à fournir sur les produits. Cette norme s'applique aux exercices ouverts à compter du 1er janvier 2018, l'adoption anticipée étant permise. La Société a déterminé qu'aucune incidence ne découle de l'adoption de cette norme sur ses états financiers.

2- APPLICATION OF NEW AND REVISED IFRS (continued)

New and Revised IFRS, adopted during the year ended (continued)

IFRS 15, Revenues from Contracts with Customers

In May 2014, the IASB published IFRS 15 which replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue-related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue. IFRS 15 is effective for annual reporting periods beginning on or after January 1st, 2018. Earlier application is permitted. The Corporation has determined that no impact results from the adoption of this standard on its financial statements.

3- PRINCIPALES MÉTHODES COMPTABLES

Déclaration de conformité

Les présents états financiers de Ressources Explor inc. ont été préparés par la direction conformément aux IFRS. Les méthodes comptables énoncées ci-dessous ont été appliquées d'une manière uniforme à toutes les périodes présentées dans les présents états financiers, sauf indication contraire.

Monnaie fonctionnelle

La monnaie de présentation et la monnaie de l'ensemble des opérations de la Société est le dollar canadien, puisqu'il représente la monnaie de l'environnement économique principal dans lequel la Société exerce ses activités.

Conversion de devises

Les transactions en monnaies étrangères sont converties au cours de change en vigueur au moment où elles sont effectuées. À chaque arrêté des comptes, les actifs et les passifs monétaires libellés en monnaies étrangères sont convertis aux cours de clôture. Les différences de change qui résultent des opérations sont inscrites au compte de résultat de la période. Les différences de change liées à des opérations d'exploitation sont enregistrées dans les résultats de la période ; les différences de change liées à des opérations de financement sont comptabilisées en résultat ou en capitaux propres.

Trésorerie et équivalents de trésorerie

La Société présente dans la trésorerie et les équivalents de trésorerie, l'encaisse et les dépôts à terme ayant une échéance initiale égale ou inférieure à trois mois à compter de la date d'acquisition.

3- SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements of Explor Resources Inc. were prepared by management in accordance with IFRS. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

Functional Currency

The reporting currency and the currency of all operations of the Corporation is the Canadian dollar, since it represents the currency of the primary economic environment in which the Corporation operates.

Currency Conversion

Transactions in foreign currencies are translated at the exchange rates prevailing at the time they are made. At each closing date, assets and liabilities denominated in foreign currencies are converted at closing. Exchange differences resulting from transactions are recorded in the income statement for the period. Exchange differences relating to operating activities are recorded in loss for the period; exchange differences related to financing transactions are recognized in profit or loss or in equity.

Cash and Cash Equivalents

The Corporation presents cash and term deposits with original maturities of three months or less from the date of acquisition in cash and cash equivalents.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Crédit d'impôt relatif aux ressources et crédit d'impôts miniers

La Société a droit à un crédit d'impôt relatif aux ressources de 28 % sur les dépenses d'exploration admissibles engagées dans la province de Québec. De plus, la Société a droit à un crédit d'impôts miniers équivalent à 16 % de 50 % des dépenses d'exploration admissibles, déduction faite du crédit d'impôt relatif aux ressources. Ces montants sont comptabilisés en fonction des estimations de la direction et à condition que la Société soit raisonnablement assurée qu'ils seront encaissés. À ce moment, le crédit d'impôt relatif aux ressources et le crédit d'impôts miniers sont portés en réduction des frais de prospection et d'évaluation.

Encaisse et dépôt à terme réservés à la prospection et à l'évaluation

L'encaisse et le dépôt à terme réservés à la prospection et à l'évaluation représentent le produit de financements accréditifs non dépensés. Selon les exigences imposées par ces sources de financement, la Société doit consacrer les fonds encaissés à la prospection et à l'évaluation de propriétés minières. Suite aux conventions d'actions accréditives réalisées, au 30 avril 2019, la Société doit dépenser en frais de prospection et d'évaluation un montant s'élevant à environ 78 200 $ (2 431 600 $ au 30 avril 2018). L'encaisse et le dépôt à terme réservés à la prospection et à l'évaluation dont dispose la Société s'élèvent à 65 027 $ et les avances sur travaux de prospection et d'évaluation s'élèvent à 2 386 $ pour un total de 67 413 $ au 30 avril 2019. Par conséquent, à cette date, la Société ne possède pas les liquidités nécessaires pour respecter ses engagements financiers qui devront être honorés avant le 31 décembre 2019. Ceci augmente le risque que les fonds ne soient pas dépensés en frais de prospection et d'évaluation (voir note 16).

Actifs de prospection et d'évaluation

Les dépenses engagées avant que l'entité n'ait obtenu les droits légaux de prospecter une zone spécifique sont comptabilisées en charge. Les dépenses liées au développement des ressources minérales ne sont pas comptabilisées en tant qu'actifs de prospection et d'évaluation. Les dépenses liées au développement sont inscrites à l'actif seulement après que la faisabilité technique et la viabilité commerciale d'une zone spécifique aient été démontrées et lorsque les critères de comptabilisation d'IAS 16 *Immobilisations corporelles* ou d'IAS 38 *Immobilisations incorporelles* sont satisfaits.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Credit Related to Resources and Mining Tax Credit

The Corporation is entitled to a tax credit related to resources of 28% on eligible exploration expenses incurred in the province of Quebec. In addition, the Corporation is entitled to a mining tax credit equal to 16% of 50% of eligible exploration expenditures, reduced of tax credit related to resources. These amounts are based on estimates made by management and provided that the Corporation is reasonably certain that they will be received. At that time, tax credit related to resources and mining tax credit are recorded as a reduction of exploration and evaluation expenses.

Cash and Term Deposit Reserved for Exploration and Evaluation

Cash and term deposit reserved for exploration and evaluation represent proceeds from flow-through financings not yet incurred in exploration. According to the requirements of those financings, the Corporation has to apply the funds received to exploration and evaluation activities on mining properties. Following flow-through shares agreements, as at April 30, 2019, the Corporation has to incur exploration and evaluation expenses amounting to approximately $78,200 ($2,431,600 as at April 30, 2018). Cash and term deposit reserved for exploration and evaluation amount to $65,027 and advances on exploration and evaluation expenses amount to $2,386 for a total of $67,413 as at April 30, 2019. Therefore, at that date, the Corporation does not have necessary liquidities in order to fulfill its financial commitments that have to be met by December 31, 2019. This increases the risk that funds might not be spent in exploration and evaluation expenses (see Note 16).

Exploration and Evaluation Assets

Expenditures incurred before the entity has obtained the legal rights to explore a specific area are recognized as expenses. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to the development are accounted as an asset only when the technical feasibility and commercial viability of a specific area are demonstrated and when recognition criteria of IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are fulfilled.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Actifs de prospection et d'évaluation (suite)

Tous les coûts associés à l'acquisition de propriétés minières et aux activités de prospection et d'évaluation sont capitalisés aux actifs de prospection et d'évaluation. Les coûts capitalisés sont limités aux coûts reliés aux acquisitions et aux activités de prospection et d'évaluation pouvant être associés à la découverte de ressources minérales spécifiques, ce qui exclut les coûts liés à la production et les frais d'administration et autres coûts indirects similaires. Les dépenses de prospection et d'évaluation sont capitalisées lorsqu'elles satisfont à tous les critères suivants :

- elles sont destinées à être utilisées pour la production de minerai ;
- les propriétés ont été acquises et les dépenses ont été engagées en vue d'une utilisation durable ; et
- elles ne sont pas destinées à être vendues dans le cours normal des affaires.

Les coûts reliés à l'acquisition des propriétés minières et aux dépenses de prospection et d'évaluation sont capitalisés par propriété jusqu'à ce que la faisabilité technique et la viabilité commerciale de l'extraction d'une ressource minérale soient démontrées. Lorsque la faisabilité technique et la viabilité commerciale de l'extraction d'une ressource minérale peuvent être démontrées, les coûts capitalisés aux actifs de prospection et d'évaluation sont reclassés à titre d'actifs miniers en développement. Les actifs de prospection et d'évaluation sont soumis à un test de dépréciation avant le reclassement, et toute perte de valeur est alors comptabilisée. Jusqu'à maintenant, aucune faisabilité technique ni aucune viabilité commerciale de l'extraction d'une ressource minérale n'a été démontrée.

La Société revoit périodiquement les faits et circonstances indiqués à la norme IFRS 6 indiquant la nécessité de soumettre les actifs de prospection et d'évaluation à des tests de dépréciation. Lorsque les faits et circonstances suggèrent que la valeur comptable d'un actif de prospection et d'évaluation peut excéder sa valeur recouvrable, l'actif est soumis à un test de dépréciation. La valeur recouvrable correspond à la valeur la plus élevée entre la juste valeur diminuée des coûts de la vente et la valeur d'utilité de l'actif (valeur actuelle des flux de trésorerie attendus). Lorsque la valeur recouvrable d'un actif de prospection et d'évaluation est inférieure à sa valeur comptable, la valeur comptable de l'actif est ramenée à sa valeur recouvrable par la comptabilisation d'une perte de valeur. La valeur comptable des actifs de prospection et d'évaluation ne représente pas nécessairement la valeur présente ou future.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and Evaluation Assets (continued)

All costs associated with property acquisition and exploration and evaluation activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to acquisition and exploration and evaluation activities that can be associated with the discovery of specific mineral resources, which exclude costs related to production and administrative expenses and other general indirect costs. Exploration and evaluation expenditures are capitalized when the following criteria are satisfied:

- they are held for use in the production of mineral resources;
- the properties have been acquired and expenses have been incurred with the intention of being used on a continuing basis; and
- they are not intended for sale in the ordinary course of business.

Costs related to the acquisition of mining properties and to exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, exploration and evaluation assets are reclassified as mining assets under development. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss is recognized. So far, no technical feasibility and no commercial viability of extracting a mineral resource has been demonstrated.

The Corporation reconsiders periodically facts and circumstances set forth in IFRS 6 that requires testing exploration and evaluation assets for impairment. When facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the asset is tested for impairment. The recoverable amount is the higher of fair value less costs for sale and value in use of the asset (present value of the future cash flows expected). When the recoverable amount of an exploration and evaluation asset is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss. The carrying amount of exploration and evaluation assets do not necessarily represents present-time or future value.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Actifs de prospection et d'évaluation (suite)

Une perte de valeur comptabilisée antérieurement pour un actif de prospection et d'évaluation est reprise s'il y a eu une augmentation du potentiel de service estimé de l'actif, résultant soit de son utilisation, soit de sa vente, depuis la date à laquelle une perte de valeur a été comptabilisée pour la dernière fois pour cet actif. Si tel est le cas, la valeur comptable de l'actif est augmentée à hauteur de sa valeur recouvrable, sans être supérieure à la valeur comptable qui aurait été déterminée (nette des amortissements) si aucune perte de valeur n'avait été comptabilisée pour cet actif au cours d'exercices antérieurs.

Dépréciation d'actifs à long terme

Les actifs à long terme sont soumis à un test de recouvrabilité lorsque des événements ou des changements de situation indiquent que leur valeur comptable pourrait ne pas être recouvrable. La valeur recouvrable est la valeur la plus élevée entre la juste valeur diminuée des coûts de la vente et la valeur d'utilité (valeur actuelle des flux de trésorerie futurs attendus). Une perte de valeur est constatée lorsque leur valeur comptable excède la valeur recouvrable. La perte de valeur constatée est mesurée comme étant l'excédent de la valeur comptable de l'actif sur sa valeur recouvrable.

Immobilisations corporelles

Les immobilisations corporelles sont comptabilisées au coût historique diminué du cumul des pertes de valeur. Le coût historique tient compte de tous les coûts directement attribuables à l'acquisition. La Société répartit le montant initialement comptabilisé au titre d'un élément d'immobilisation à ses parties significatives et amortit séparément chacune des parties. Les valeurs résiduelles, la méthode d'amortissement et la durée d'utilité des actifs sont revues chaque année et ajustées au besoin.

L'amortissement des immobilisations corporelles est calculé selon la méthode dégressive et selon les taux indiqués ci-après :

Améliorations locatives	30 %
Équipement d'exploration	20 %
Mobilier de bureau	20 %
Matériel informatique	55 %

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and Evaluation Assets (continued)

The prior years recognized impairment for exploration and evaluation asset is reversed if there is an increase of the economic potential of asset, resulting from its use or sale since the last time an impairment has been recorded for this asset. If any, the carrying value of this asset is increased up to its recoverable amount, without being higher than it would have been recorded (net of amortization) as if the impairment had never been recognized for this asset in the prior years.

Impairment of Long-lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount might not be recoverable. The recoverable amount is the highest value between the fair value less costs for sale and the value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying value exceeds the recoverable amount. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

Property, Plant and Equipment

Property, plant and equipment are accounted for at historical cost less any accumulated impairment losses. The historical cost of property, plant and equipment comprises all of the costs directly attributable to the acquisition. The Corporation allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Depreciation of property, plant and equipment is calculated using declining method and at the following rates:

Leasehold improvements	30%
Exploration equipment	20%
Office equipment	20%
Computer equipment	55%

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Instruments financiers

Comptabilisation et décomptabilisation

Les actifs financiers et les passifs financiers sont comptabilisés lorsque la Société devient partie aux dispositions contractuelles de l'instrument financier.

Les actifs et les passifs financiers sont initialement évalués à la juste valeur ajustée en fonction des coûts de transaction, le cas échéant.

Les actifs financiers sont décomptabilisés lorsque les droits contractuels sur les flux de trésorerie liés à un actif financier arrivent à expiration, ou lorsqu'un actif financier et la quasi-totalité des risques et avantages sont transférés. Un passif financier est décomptabilisé en cas d'extinction, de résiliation, d'annulation ou d'expiration.

Le classement des instruments financiers selon IFRS 9 repose sur le modèle d'affaires de l'entité et les caractéristiques des flux de trésorerie contractuels de l'actif ou du passif financier.

Classement et évaluation initiale des actifs financiers

Les actifs financiers sont classés dans une des catégories suivantes :

- au coût amorti;

- à la juste valeur par le biais du résultat net (JVRN);

- à la juste valeur par le biais des autres éléments du résultat global (JVAERG).

Pour les périodes considérées, la Société ne détient aucun actif financier classé dans la catégorie de la JVAERG.

Tous les produits et charges se rapportant aux actifs financiers comptabilisés en résultat net sont présentés dans les charges financières ou les produits financiers.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual dispositions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs, if applicable.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Under IFRS 9, the classification depends on the entity's business model for managing the financial asset and the cash flow characteristics of the asset or liability.

Classification and Initial Valuation of Financial Assets

For the purpose, financial assets are classified into the following categories:

- at amortized cost;

- at fair value through profit or loss (FVTPL);

- fair value through other comprehensive income (FVOCI).

For the periods considered, the Corporation does not hold any financial assets classified in the category of FVOCI.

All income and expenses relating to financial assets recognized in profit or loss are presented in finance costs or financial income.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Instruments financiers (suite)

Évaluation ultérieure des actifs financiers

Actifs financiers au coût amorti

Les actifs financiers sont évalués au coût amorti s'ils répondent aux conditions suivantes (et qu'ils ne sont pas désignés comme étant à la JVRN):

- Ils sont détenus selon un modèle économique dont l'objectif est de détenir des actifs financiers afin d'en percevoir les flux de trésorerie contractuels;

- Les conditions contractuelles des actifs financiers donnent lieu à des flux de trésorerie qui correspondent uniquement à des remboursements de principal et à des versements d'intérêts sur le principal restant dû.

Après leur comptabilisation initiale, ils sont évalués au coût amorti en utilisant la méthode du taux d'intérêt effectif. L'actualisation est omise si son effet est non significatif. La trésorerie et les équivalents de trésorerie, l'encaisse réservée à la prospection et à l'évaluation, les autres débiteurs, les avances sur travaux de prospection et d'évaluation et les avances à une société liée font partie de cette catégorie d'instruments financiers.

Actifs financiers à la juste valeur par le biais du résultat net (JVRN)

Les actifs financiers qui sont détenus selon un modèle économique différent de ceux de type « détention aux fins de la perception » ou « détention aux fins de la perception et de la vente » sont classés dans la catégorie de la JVRN. De plus, peu importe le modèle économique, les actifs financiers dont les flux de trésorerie contractuels ne correspondent pas uniquement à des remboursements de principal et à des versements d'intérêts sont comptabilisés à la JVRN.

Les actifs de cette catégorie sont évalués à la juste valeur et les profits ou les pertes sont comptabilisés en résultat net. La juste valeur des actifs financiers de cette catégorie est déterminée en fonction de transactions sur un marché actif ou en appliquant une technique d'évaluation lorsqu'il n'existe pas de marché actif. Les placements et le dépôt à terme réservé à la prospection et à l'évaluation font partie de cette catégorie.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Subsequent Valuation of Financial Assets

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if they meet the following conditions (and are not designated as FVTPL):

- They are held according to an economic model whose purpose is to hold financial assets in order to collect the contractual cash flows;

- The contractual terms of the financial assets give rise to cash flows that correspond solely to repayments of principal and interest payments on the principal outstanding.

After initial recognition, they are measured at amortized cost using the effective interest rate method. The update is omitted if its effect is not significant. Cash and cash equivalents, cash reserved for exploration and evaluation, other receivables, advances on exploration and evaluation expenses and advances to a related company are included in this category of financial instruments.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The investments and term deposit reserved for exploration and evaluation are part of this financial instrument category.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Instruments financiers (suite)

Dépréciation des actifs financiers

Les dispositions relatives à la dépréciation d'IFRS 9 utilisent davantage d'informations de nature prospective, soit le modèle des pertes de crédit attendues, lequel remplace le modèle des pertes subies d'IAS 39.

La comptabilisation de pertes de crédit n'est plus tributaire de l'identification d'un événement générateur de pertes de crédit par la Société. Cette dernière doit plutôt tenir compte d'un éventail élargi d'informations pour l'appréciation du risque de crédit et l'évaluation de pertes de crédit attendues, notamment des événements passés, des circonstances actuelles, des prévisions raisonnables et justifiables qui touchent la recouvrabilité attendue des flux de trésorerie futurs de l'instrument financier.

L'évaluation des pertes de crédit attendues est déterminée à chaque date de clôture afin de refléter les variations du risque de crédit depuis la comptabilisation initiale de l'actif financier correspondant.

Classement et évaluation des passifs financiers

Les passifs financiers de la Société comprennent les créditeurs et charges à payer, le dû à des administrateurs, le dû à des sociétés liées, les débentures convertibles et la dette à long terme.

Subséquemment, les passifs financiers sont évalués au coût amorti en utilisant la méthode du taux d'intérêt effectif.

Les charges d'intérêts et, le cas échéant, les variations de la juste valeur d'un instrument comptabilisées en résultat net sont présentées dans les charges financières ou dans les produits financiers.

Instruments financiers composés

Les instruments financiers composés sont représentés par les débentures convertibles. Les débentures convertibles en actions comprennent à la fois un élément de passif financier et un élément de capitaux propres, soit l'option de conversion des débentures en actions. Les composantes de l'instrument sont classées séparément au passif et aux capitaux propres. La Société détermine d'abord la valeur comptable du passif financier en actualisant les flux futurs représentant les remboursements de principal et les paiements d'intérêts au taux généralement pratiqué sur le marché pour une dette similaire à laquelle n'est associée aucune composante capitaux propres. La valeur comptable de l'instrument de capitaux propres que représente l'option de conversion des débentures en actions est ensuite déterminée en déduisant la valeur comptable du passif financier du montant de l'instrument hybride pris dans son ensemble.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Impairment of Financial Assets

The impairment disposition in IFRS 9 use more forward-looking information, the expected credit loss impairment model, which replaces the IAS 39 loss model.

The recognition of credit losses is no longer dependent of the identification of a credit loss event by the Corporation. The latter should instead take into account a wider range of information for the assessment of credit risk and the assessment of expected credit losses, including past events, current circumstances, reasonable and justifiable forecasts that affect expected recoverability of future cash flows of the financial instrument.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

Classification and Measurement of Financial Liabilities

The Corporation's financial liabilities include accounts payable and accrued liabilities, due to directors, due to related companies, convertible debentures and long-term debt.

Subsequently, the financial liabilities are measured at amortized cost using the effective interest method.

Interest expenses and, as the case may be, changes in the fair value of an instrument recognized in profit or loss are presented in finance costs or financial income.

Compound Financial Instruments

Compound financial instruments are represented by convertible debentures. Debentures convertible into shares include both a financial liability and an equity component, which is the option to convert debentures into shares. The components of the instrument are classified separately as liabilities and equity. The Corporation first determines the carrying amount of financial liability by discounting future cash flows representing principal payments and interest payments at market rate generally used for a similar liability which no equity component is associated to. The carrying value of the equity instrument that represents the convertible in share option is then determined by deducting the carrying amount of financial liability of the amount of the hybrid instrument as a whole.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Provisions et passifs éventuels

Les provisions sont comptabilisées lorsque les obligations actuelles, résultant d'un événement passé, se traduiront par une sortie probable de ressources représentatives d'avantages économiques de la Société et que les montants peuvent être estimés de manière fiable. L'échéance ou le montant de la sortie peuvent être incertains. L'évaluation des provisions correspond aux dépenses estimées nécessaires à l'extinction de l'obligation actuelle, en fonction des éléments probants les plus fiables disponibles à la date de présentation de l'information financière, incluant les risques et les incertitudes liés à l'obligation actuelle. Les provisions sont actualisées lorsque la valeur temps de l'argent est significative.

Les activités de la Société sont régies par des lois et règlements gouvernementaux concernant la protection de l'environnement. Les conséquences environnementales sont difficilement identifiables, qu'il s'agisse des montants, de l'échéance ou de l'impact. À la date de présentation de l'information financière, la direction estime que la Société exerce généralement ses activités en conformité avec les lois et règlements sur la protection de l'environnement présentement en vigueur. Les coûts actuellement engagés pour la remise en état des sites sont présentement négligeables. Lorsque la faisabilité technique et la viabilité commerciale de l'extraction d'une ressource minérale seront démontrées, une provision pour restauration pourrait être comptabilisée à l'état de la situation financière.

Lorsqu'une sortie possible de ressources représentatives d'avantages économiques résultant d'une obligation actuelle est considérée comme étant improbable ou de probabilité faible, aucun passif n'est comptabilisé à moins qu'il n'ait été repris à l'occasion d'un regroupement d'entreprises. Les provisions sont revues à chaque date de présentation de l'information financière et ajustées pour refléter les meilleures estimations actuelles à cette date.

Au 30 avril 2019 et au 30 avril 2018, une provision d'un montant d'environ 349 000 $ est présentée à l'état de la situation financière en relation avec des pénalités et impôts de la Partie XII.6 pour le non-respect de conventions d'actions accréditives antérieurement signées (voir note 16).

Rémunération et paiements fondés sur des actions

La Société comptabilise la charge de rémunération à base d'actions sur la période d'acquisition des droits aux options d'achat d'actions. Les options d'achat d'actions octroyées aux employés, consultants, administrateurs et dirigeants de la Société et le coût des services reçus en contrepartie sont évalués et constatés sur la base de la juste valeur en utilisant le modèle d'évaluation d'options Black-Scholes.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions and Contingent Liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation's operations are governed by government's environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Corporation's operations are generally in material compliance with current laws and regulations of environment protection. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource will be demonstrated, a restoration provision might be recognized in the statement of financial position.

In the case where the possible outflow of economic resources as a result of a present obligation is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

As at April 30, 2019 and as at April 30, 2018, a provision amounting to approximately $349,000 is presented at statement of financial position in relation with penalties and Part XII.6 taxes for the non-compliance of past flow-through share agreements (See Note 16).

Share-Based Compensation

The Corporation accounts for stock-based compensation over the vesting period of the rights to stock options. Share purchase options granted to employees, consultants, directors and officers of the Corporation and the cost of services received are evaluated and recognized on fair value basis using the Black-Scholes option pricing model.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Rémunération et paiements fondés sur des actions (suite)

Transactions dont le paiement est fondé sur des actions réglées en instruments de capitaux propres

Pour les transactions avec les parties autres que des membres du personnel, la Société évalue les biens ou les services reçus et l'augmentation de capitaux propres qui en est la contrepartie, directement, à la juste valeur des biens ou services reçus, sauf si cette juste valeur ne peut être estimée de façon fiable. Lorsque la Société ne peut estimer de façon fiable la juste valeur des biens ou des services reçus, elle évalue la valeur et l'augmentation des capitaux propres qui en est la contrepartie, indirectement, par référence à la juste valeur des instruments de capitaux propres attribués.

Actions accréditives

La Société considère qu'une émission d'actions accréditives constitue en substance une émission d'actions ordinaires et la vente d'un droit à des déductions fiscales. La vente du droit aux déductions fiscales est évaluée au moyen de la méthode des valeurs résiduelles. Lorsque la déduction de la juste valeur de la composante en actions de la juste valeur de l'unité vendue pris dans son ensemble ne fait apparaître aucun excédent répartissable, le montant de la prime associée à la vente de déductions fiscales est établi à une valeur marginale faible, selon la meilleure estimation de la direction. Au moment où les actions accréditives sont émises, la vente de déductions fiscales est différée et présentée comme autre passif dans l'état de la situation financière.

Lorsque les dépenses admissibles sont engagées (dans la mesure où il y a l'intention d'y renoncer), la vente de déductions fiscales est comptabilisée en résultat comme une réduction des impôts différés et un passif d'impôt différé est comptabilisé pour les écarts temporaires imposables qui proviennent de la différence entre la valeur comptable des dépenses admissibles capitalisées à titre d'actif dans l'état de la situation financière et la valeur fiscale de ces dépenses.

Bons de souscription

Dans le cadre de financements, la Société peut octroyer des bons de souscription. Chaque bon de souscription permet à son détenteur de souscrire à une action à un prix fixé lors de l'octroi pendant une période de temps donnée. Les produits des émissions d'unités sont répartis aux actions et aux bons de souscription au moyen de la méthode des justes valeurs relatives. La Société utilise le modèle d'évaluation Black-Scholes pour calculer la juste valeur des bons de souscription émis.

Frais d'émission d'actions

Les frais d'émission d'actions sont comptabilisés en diminution du capital-social de la Société.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-Based Compensation (continued)

Equity-Settled Share-Based Compensation Transactions

For transactions with parties other than employees, the Corporation measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Corporation cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Flow-Through Shares

The Corporation considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions. The sale of tax deductions is measured using the residual method. When the deduction of the fair value of shares component of the fair value of the sold unit as a whole shows no distributable surplus, the amount of flow-through shares premium is set to a low value marginal, according to the best estimation of the management. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position.

When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and the tax base of these expenditures.

Warrants

In connection with financings, the Corporation may grant warrants. Each warrant entitles its holder to purchase one share at a price determined at grant for a certain period of time. Proceeds from issued units are allocated between shares and warrants issued using the relative fair value method. The Corporation uses the Black-Scholes pricing model to determine the fair value of warrants issued.

Share Issuance Expenses

Share issuance expenses are recorded as a decrease of capital stock of the Corporation.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Perte par action de base et diluée

La perte de base par action est calculée selon la moyenne pondérée des actions en circulation durant l'exercice. La perte par action diluée, calculée selon la méthode du rachat d'actions, est égale à la perte de base par action en raison de l'effet anti-dilutif des options d'achat d'actions et des bons de souscription.

Constatation des revenus

Les opérations de placement sont comptabilisées à la date d'opération et les revenus qui en découlent sont constatés selon la méthode de comptabilité d'exercice. Les revenus d'intérêts sont comptabilisés d'après le nombre de jours de détention du placement au cours de l'exercice.

La Société constate ses autres revenus lorsqu'il existe des preuves convaincantes de l'existence d'un accord, que le prix est déterminé ou déterminable et que l'encaissement est raisonnablement assuré.

Conventions d'options sur des propriétés minières

Les options sur des intérêts dans des propriétés minières acquises par la Société sont comptabilisées à la valeur de la considération monétaire déboursée, y compris tout autre avantage économique cédé, mais excluant l'engagement de dépenses futures. Puisque l'engagement des dépenses futures ne répond pas à la définition d'un passif, il n'est pas comptabilisé. Les dépenses sont comptabilisées uniquement lorsqu'elles sont engagées par la Société.

Lorsque la Société cède des intérêts dans ses propriétés minières, elle utilise la valeur comptable de la propriété avant la vente de l'option comme valeur comptable de la portion de la propriété conservée, et crédite toute considération monétaire reçue ainsi que la juste valeur d'autres actifs financiers reçus à l'encontre de la valeur comptable de cette portion (avec tout excédent comptabilisé comme un gain en résultat net).

Redevances sur les produits nets de fonderie

Les redevances sur les produits nets de fonderie ne sont généralement pas comptabilisées au moment de l'acquisition d'une propriété minière puisqu'elles sont considérées comme étant un passif éventuel. Les redevances ne sont comptabilisées que lorsqu'elles sont probables et qu'elles peuvent être évaluées avec une fiabilité suffisante.

Impôts sur le résultat et impôts différés

Un impôt différé est comptabilisé pour toutes les différences temporelles entre les valeurs comptables des actifs et des passifs et les montants utilisés à des fins fiscales à l'exception d'un impôt différé généré par la comptabilisation initiale d'un goodwill ou par la comptabilisation initiale d'un actif ou d'un passif dans le cadre d'une transaction qui n'est pas un regroupement d'entreprises et qui, au moment de la transaction, n'affecte ni le résultat comptable, ni le résultat imposable.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic and Diluted Loss per Share

The basic loss per share is calculated using the weighted average of shares outstanding during the year. The diluted loss per share, calculated using treasury stock method, is equal to the basic loss per share due to the anti-dilutive effect of share purchase options and warrants.

Revenue Recognition

Investment transactions are accounted for on the transaction date and resulting revenues are recognized using the accrual basis of accounting. Interest income is accrued based on the number of days the investment is held during the year.

Other revenues are recognized when there is convincing evidence of the existence of an agreement and that the price is fixed or determinable and collection is reasonably assured.

Mining Properties Options Agreements

Options on interests in mining properties acquired by the Corporation are recorded at the value of the consideration paid, including other benefit yielded but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus is not accounted for. Expenditures are accounted for only when incurred by the Corporation**.**

When the Corporation sells interests in its mining properties, it uses the carrying amount of the property before the sale of the option as the carrying amount for the portion of the property retained, and credits any cash consideration received and also the fair value of other financial assets received against the carrying amount of this portion (any excess is recognized as a gain in profit or loss statement).

NSR Royalties

The NSR royalties are generally not accounted for when acquiring a mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and when they can be measured with sufficient reliability.

Income Taxes and Deferred Taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Impôts sur le résultat et impôts différés (suite)

L'impôt différé est évalué selon les taux d'impôt dont on attend l'application aux différences temporelles lorsque celles-ci s'inverseront, en fonction des lois adoptées ou quasi adoptées à la date de clôture de présentation de l'information financière et qui, selon ce qu'il est à prévoir, s'appliqueront au résultat imposable des exercices au cours desquels ces écarts temporels sont censés être recouvrés ou réglés. L'incidence d'une modification des taux d'imposition sur les actifs et les passifs d'impôts différés est constatée dans le résultat de l'exercice qui comprend la date d'entrée en vigueur de la modification. La Société établit une provision pour moins-value à l'égard des actifs d'impôts différés si, selon les renseignements disponibles, il est probable qu'une partie ou la totalité des actifs d'impôts différés ne sera pas matérialisée.

Un actif d'impôt différé est comptabilisé au titre des pertes fiscales et crédits d'impôt inutilisés ainsi qu'au titre des différences temporelles déductibles, dans la mesure où il est probable que l'on disposera de bénéfices imposables futurs auxquels ces éléments pourront être imputés. À la fin de chaque période de présentation de l'information financière, la Société réestime les actifs d'impôts différés non comptabilisés. Le cas échéant, la Société comptabilise un actif d'impôt différé qui ne l'avait pas été antérieurement dans la mesure où il est devenu probable qu'un bénéfice imposable futur permettra de recouvrer l'actif d'impôts différés.

Informations sectorielles

La Société exerce actuellement ses activités dans un seul secteur, soit l'acquisition et l'exploration de propriétés minières. Toutes les activités de la Société sont menées au Canada.

Jugements, estimations et hypothèses comptables significatifs

L'établissement d'états financiers conformes aux IFRS exige que la direction ait recours à son jugement, fasse des estimations et pose des hypothèses qui influent sur l'application des méthodes comptables ainsi que sur la valeur comptable des actifs, des passifs, des produits et des charges. Les résultats réels pourraient être différents de ces estimations.

Les estimations et hypothèses sous-jacentes sont passées en revue régulièrement. Toute révision des estimations comptables est constatée dans la période au cours de laquelle les estimations sont révisées ainsi que dans les périodes futures touchées par ces révisions.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes and Deferred Taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the year that includes the enactment date. The Corporation establishes a valuation allowance against deferred income tax assets if, based on available information, it is probable that some or all of the deferred tax assets will not be realized.

A deferred tax asset is recognized for unused tax losses and unused tax credits, to the extent that it is probable that future taxable profits will be available against which they can be used. At the end of each financial reporting period, the Corporation reassesses the deferred tax asset not recognized. Where appropriate, the Corporation records a deferred tax asset that had not been recorded previously to the extent it has become probable that future taxable profits will recover the deferred tax asset.

Segment Disclosures

The Corporation currently operates in a single segment: the acquisition and exploration of mining properties. All of the Corporation's activities are conducted in Canada.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to exercise its judgement, make estimates and assumptions that affect the application of accounting policies as well as the carrying amount of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Any revision to accounting estimates is recognized in the period during which the estimate is revised and in future periods affected by these revisions.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Jugements, estimations et hypothèses comptables significatifs (suite)

Sources d'incertitude relative aux estimations

a) Dépréciation d'actifs de prospection et d'évaluation

Les actifs de prospection et d'évaluation doivent être soumis à un test de dépréciation lorsque les faits et circonstances suggèrent que leur valeur comptable peut excéder leur valeur recouvrable. Lorsque les faits et les circonstances suggèrent que la valeur comptable excède la valeur recouvrable, la Société doit évaluer, présenter et fournir des informations sur toute perte de valeur qui pourrait en résulter. Les indices de dépréciation de même que l'évaluation de la valeur recouvrable des actifs de prospection et d'évaluation nécessitent une part significative de jugement. La direction prend en compte divers facteurs, notamment, sans s'y limiter, les ressources financières et humaines disponibles, les budgets d'exploration prévus, l'importance et les résultats des travaux antérieurement effectués, les tendances de l'industrie et de l'économie et le prix des substances minérales.

À la suite des analyses effectuées au cours de l'exercice clos le 30 avril 2019, la Société a déprécié certains actifs de prospection et d'évaluation. Compte tenu de la situation économique actuelle et du niveau peu élevé de ses ressources financières, la Société a décidé de déprécier les projets Eastford Lake, Carnegie, PG-101, Ogden, Montrose, Hoyle, East Bay et Moose Brooke. La Société a également déprécié le projet Chester à une valeur plus réaliste de 300 000 $. Au cours de l'exercice 2018, la Société n'avait pas déprécié d'actifs de prospection et d'évaluation. Aucune reprise de valeur n'a été comptabilisée pour les exercices antérieurs.

b) Rémunération et paiements fondés sur des actions

La juste valeur d'une option d'achat d'actions octroyée est établie au moyen du modèle d'évaluation Black-Scholes qui prend en compte le prix d'exercice et la durée prévue de l'option, le cours actuel de l'action sous-jacente, sa volatilité prévue, les dividendes prévus sur l'action et le taux courant d'intérêt sans risque pour la durée prévue de l'option. Les données d'entrées pour le calcul de la juste valeur comportent des estimations visant à aboutir à une approximation qui serait probablement reflétée dans un cours ou dans un prix d'échange négocié de l'option.

c) Taux d'intérêt effectif sur les débentures convertibles

La juste valeur de la composante dette des débentures convertibles est établie en actualisant le capital des débentures et les intérêts sur la durée des débentures en utilisant un taux d'intérêt effectif. L'estimation du taux d'intérêt effectif établie entre 12 % et 16 % a été déterminée selon le jugement de la direction et elle comporte sa part d'incertitude.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Judgments, Estimates and Assumptions (continued)

Key Sources of Estimation Uncertainty

a) Impairment of Exploration and Evaluation Assets

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that their carrying amount may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Corporation shall measure, present and disclose any resulting impairment loss. Indications of impairment as well as the evaluation of recoverable amount of exploration and evaluation assets require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals.

Based on analysis performed during the year ended April 30, 2019, the Corporation impaired certain exploration and evaluation assets. Due to the current economic situation and the low level of its financial resources, the Corporation decided to impair the Eastford Lake, Carnegie, PG-101, Ogden, Montrose, Hoyle, East Bay and Moose Brooke projects. The Corporation also impaired the Chester project to a more realistic value of $300,000. During the year 2018, the Corporation has not impaired exploration and evaluation assets. No reversal of impairment loss was recorded for past years.

b) Share-Based Compensation

The fair value of share purchase options granted is determined using Black-Scholes pricing model that takes into account the exercise price and expected life of the option, the current price of the underlying stock, its expected volatility, the expected dividends on the stock and the current risk-free interest rate for the expected life of the option. The inputs used to determine the fair value are composed of estimates to arrive at an approximation that would be likely reflected in a current market or negotiated exchange price for the option.

c) Effective Interest Rate on Convertible Debentures

The fair value of the debt component of convertible debentures is based by the actualization of capital of debentures and interest on the duration of debentures by using an effective interest rate. The estimated effective interest rate established between 12% and 16% was determined according to the management's judgment and involves a part of uncertainty.

3- PRINCIPALES MÉTHODES COMPTABLES (suite)

Jugements, estimations et hypothèses comptables significatifs (suite)

Sources d'incertitude relative aux estimations (suite)

d) Provisions et passifs éventuels

Le jugement est utilisé afin de déterminer si un événement passé a engendré un passif qui devrait être comptabilisé aux états financiers ou s'il devrait être présenté comme un passif éventuel. Quantifier ces passifs implique jugement et estimations, basés sur plusieurs facteurs tels que la nature de la réclamation ou du conflit, les procédures juridiques et le montant potentiel à payer, les conseils juridiques obtenus, l'expérience antérieure et la probabilité de la réalisation d'une perte. Plusieurs de ces facteurs sont sources d'incertitude quant aux estimations. En relation avec le non-respect de conventions d'actions accréditives signées dans le passé, la direction de la Société a estimé les pénalités futures et impôts de la Partie XII.6 à 349 060 $ au 30 avril 2019 et 2018. Des incertitudes existent en ce qui a trait à l'estimation du montant futur que la Société devra débourser; des écarts entre le résultat réel et la provision pourraient nécessiter des ajustements aux montants en cause.

Jugement important de la direction

Le paragraphe qui suit traite des jugements importants que doit poser la direction dans le cadre de l'application des méthodes comptables de la Société, qui ont l'incidence la plus significative sur les états financiers.

Continuité de l'exploitation

L'évaluation de la capacité de la Société de poursuivre sur une base de continuité d'exploitation, d'obtenir suffisamment de fonds pour couvrir ses dépenses d'opération en cours, de remplir ses obligations pour l'année à venir, et d'obtenir du financement pour les programmes d'exploration et d'évaluation prévus, implique une grande part de jugement basé sur l'expérience passée et sur d'autres facteurs, incluant la probabilité d'événements futurs qui sont considérés comme raisonnables en tenant compte des circonstances. Se reporter à la note 1 pour de plus amples informations.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Judgments, Estimates and Assumptions (continued)

Key Sources of Estimation Uncertainty (continued)

d) Provisions and Contingent Liabilities

Judgment is used to determine whether a past event has created a liability that should be recorded in the financial statements or whether it should be presented as a contingent liability. Quantifying these liabilities involves judgment and estimates, which are based on several factors, such as the nature of the claim or dispute, legal procedures and the potential amount to be paid, legal advice obtained, previous experience and the likelihood of the realization of a loss. Many of these factors are sources of uncertainty in estimates. In relation with non-respect of flow-through shares agreements signed in the past, the management of the Corporation estimated future penalties and Part XII.6 taxes to $349,060 as at April 30, 2019 and 2018. Uncertainties exist in relation with the estimate of future amount that the Corporation would have to pay; differences between the actual results and the provision could necessitate adjustments of amounts involved.

Significant Management Judgment

The following are significant management judgments in applying the accounting policies of the Corporation that have the most significant effect on the financial statements.

Going Concern

The assessment of the Corporation's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year and to fund planned and contractual exploration programs, involves judgments based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 1 for more information.

4- PLACEMENTS

4- INVESTMENTS

	2019	2018	
	$	$	
6 552 807 actions ordinaires d'une société publique d'exploration minière liée, à la juste valeur	163 820	262 112	6,552,807 common shares of a related public mining exploration corporation, at fair value

5- IMMOBILISATIONS CORPORELLES / 5- PROPERTY, PLANT AND EQUIPMENT

	Améliorations locatives / Leasehold Improvements	Équipement d'exploration / Exploration Equipment	Mobilier de bureau / Office Equipment	Matériel informatique / Computer Equipment	Total
Coût / Cost	$	$	$	$	$
Solde au 30 avril 2017 / Balance as at April 30, 2017	6 876	86 584	950	33 971	128 381
Acquisition	-	7 000	-	1 300	8 300
Solde au 30 avril 2018 / Balance as at April 30, 2018	6 876	93 584	950	35 271	136 681
Disposition / Disposal	(6 876)	-	-	-	(6 876)
Solde au 30 avril 2019 / Balance as at April 30, 2019	-	93 584	950	35 271	129 805
Cumul des amortissements / Accumulated Depreciation					
Solde au 30 avril 2017 / Balance as at April 30, 2017	6 287	35 166	803	30 927	73 183
Amortissement / Depreciation	589	10 280	32	1 675	12 576
Solde au 30 avril 2018 / Balance as at April 30, 2018	6 876	45 446	835	32 602	85 759
Amortissement / Depreciation	-	9 628	24	1 468	11 120
Disposition / Disposal	(6 876)	-	-	-	(6 876)
Solde au 30 avril 2019 / Balance as at April 30, 2019	-	55 074	859	34 070	90 003
Valeur nette comptable / Net book Value					
Solde au 30 avril 2018 / Balance as at April 30, 2018	-	48 138	115	2 669	50 922
Solde au 30 avril 2019 / Balance as at April 30, 2019	-	38 510	91	1 201	39 802

6- ACTIFS DE PROSPECTION ET D'ÉVALUATION / 6- EXPLORATION AND EVALUATION ASSETS

	2019	**2018**	
	$	$	
Propriétés minières	3 813 364	5 225 842	Mining properties
Frais de prospection et d'évaluation	25 987 644	30 431 517	Exploration and evaluation expenses
	29 801 008	35 657 359	

6- ACTIFS DE PROSPECTION ET D'ÉVALUATION (suite) / 6- EXPLORATION AND EVALUATION ASSETS (continued)

Propriétés / Properties	Redevances Royalties	Canton Township	Solde au 30 avril 2018 Balance as at April 30, 2018 $	Dépréciation Impairment $	Solde au 30 avril 2019 Balance as at April 30, 2019 $
Ontario :					
Eastford Lake (100 %)	2 %	Kerr, Warden, Milligan	94 500	(94 499)	1
Carnegie (100 %)	2 %	Carnegie	227 900	(227 899)	1
Golden Harker (100 %)	2 %	Harker	1	-	1
Kidd Township (100 %)	1 %, 2 %	Kidd, Wark, Carnegie	970 106	-	970 106
PG-101 (50 %)	2 %	Holloway, Marriott	131 000	(130 999)	1
Ogden (100 %)	2 %	Ogden	479 239	(479 238)	1
Timmins Porcupine West (100 %)	2 %,3 %	Bristol, Ogden	2 639 500	-	2 639 500
Montrose (100 %)	1 %, 2 %	Montrose, Midlothian	62 000	(61 999)	1
Hoyle (100 %)	-	Hoyle	121 000	(120 999)	1
Québec / Quebec :					
East Bay (100 %)	1 %, 2 %	Duparquet, Hébécourt, Destor	296 846	(296 845)	1
Nouveau-Brunswick / New Brunswick :					
Chester (100 %)	1 %, 2 %	Northumberland	203 750	-	203 750
			5 225 842	(1 412 478)	3 813 364

Propriétés / Properties		Redevances Royalties	Canton Township	Solde au 30 avril 2017 Balance as at April 30, 2017 $	Augmentation Addition $	Solde au 30 avril 2018 Balance as at April 30, 2018 $
Ontario :						
Eastford Lake (100 %)		2 %	Kerr, Warden, Milligan	94 500	-	94 500
Carnegie (100 %)	(1)	2 %	Carnegie	224 250	3 650	227 900
Golden Harker (100 %)		2 %	Harker	1	-	1
Kidd Township (100 %)	(2)	1 %, 2 %	Kidd, Wark, Carnegie	936 106	34 000	970 106
PG-101 (50 %)	(3)	2 %	Holloway, Marriott	100 000	31 000	131 000
Ogden (100 %)	(4)	2 %	Ogden	306 239	173 000	479 239
Timmins Porcupine West (100 %)		2 %, 3 %	Bristol, Ogden	2 639 500	-	2 639 500
Montrose (100 %)	(5)	1 %, 2 %-	Montrose, Midlothian	-	62 000	62 000
Hoyle (100 %)	(6)	-	Hoyle	-	121 000	121 000
Québec / Quebec :						
East Bay (100 %)	(7)	1 %, 2 %	Duparquet, Hébécourt, Destor	257 846	39 000	296 846
Nouveau-Brunswick / New Brunswick :						
Chester (100 %)		1 %, 2 %	Northumberland	203 750	-	203 750
				4 762 192	463 650	5 225 842

6- ACTIFS DE PROSPECTION ET D'ÉVALUATION (suite) / 6- EXPLORATION AND EVALUATION ASSETS (continued)

Propriétés (suite) **/ Properties** (continued)

(1) Au cours de l'exercice clos le 30 avril 2018, la Société a payé 3 650 $ en espèces pour acquérir des claims additionnels de la propriété.

(2) Au cours de l'exercice clos le 30 avril 2018, la Société a émis 400 000 actions ordinaires pour un montant de 32 000 $ et payé en argent 2 000 $ conformément à une entente signée pour cette propriété.

(3) Au cours de l'exercice clos le 30 avril 2018, la Société a émis 300 000 actions ordinaires pour un montant de 24 000 $ et payé en argent 7 000 $ conformément à une entente signée pour cette propriété.

(4) Au cours de l'exercice clos le 30 avril 2018, la Société a émis 2 100 000 actions ordinaires pour un montant de 126 000 $ et payé en argent 47 000 $ conformément à deux ententes signées pour cette propriété.

(5) Au cours de l'exercice clos le 30 avril 2018, la Société a émis 1 000 000 d'actions ordinaires pour un montant de 60 000 $ et a versé 2 000 $ en espèces conformément à l'entente signée avec les premières nations Matachewan et Mattagami.

(6) Au cours de l'exercice clos le 30 avril 2018, la Société a émis 3 000 000 actions ordinaires pour un montant de 120 000 $ et payé en argent 1 000 $ conformément à une entente signée pour cette propriété.

(7) Au cours de l'exercice clos le 30 avril 2018, la Société a émis 500 000 actions ordinaires pour un montant de 20 000 $ et payé en argent 19 000 $ conformément à trois ententes signées pour cette propriété.

(1) During the year ended April 30, 2018, the Corporation paid $3,650 in cash to acquire additional claims of the property.

(2) During the year ended April 30, 2018, the Corporation issued 400,000 common shares for an amount of $32,000 and paid $2,000 in cash following an agreement signed for this property.

(3) During the year ended April 30, 2018, the Corporation issued 300,000 common shares for an amount of $24,000 and paid $7,000 in cash following an agreement signed for this property.

(4) During the year ended April 30, 2018, the Corporation issued 2,100,000 common shares for an amount of $126,000 and paid $47,000 in cash following two agreements signed for this property.

(5) During the year ended April 30, 2018, the Corporation issued 1,000,000 common shares for an amount of $60,000 and paid $2,000 in cash following an agreement signed with the First Nations Matachewan and Mattagami.

(6) During the year ended April 30, 2018, the Corporation issued 3,000,000 common shares for an amount of $120,000 and paid $1,000 in cash following an agreement signed for this property.

(7) During the year ended April 30, 2018, the Corporation issued 500,000 common shares for an amount of $20,000 and paid $19,000 in cash following three agreements signed for this property.

Frais de prospection et d'évaluation / Exploration and evaluation expenses

	Solde au 30 avril 2018 Balance as at April 30, 2018	Augmentation Addition	Dépréciation Impairment	Solde au 30 avril 2019 Balance as at April 30, 2019
Ontario :	$	$	$	$
Eastford Lake	1 368 355	-	(1 368 355)	-
Carnegie	773 134	21 382	(794 516)	-
Kidd Township	3 244 647	3 682	-	3 248 329
PG-101	210 498	3 430	(213 928)	-
Montrose	127 148	3 430	(130 578)	-
Ogden	455 156	10 080	(465 236)	-
Hoyle	1 859	2 844	(4 703)	-
Timmins Porcupine West	22 581 024	62 041	-	22 643 065
Québec / Quebec :				
East Bay	1 432 384	11 838	(1 444 222)	-
Nouveau-Brunswick / New Brunswick :				
Moose Brooke	7 289	-	(7 289)	-
Chester	230 023	-	(133 773)	96 250
	30 431 517	118 727	(4 562 600)	25 987 644

6- ACTIFS DE PROSPECTION ET D'ÉVALUATION (suite) / 6- EXPLORATION AND EVALUATION ASSETS (continued)

Frais de prospection et d'évaluation (suite) **/ Exploration and evaluation expenses** (continued)

	Solde au 30 avril 2017 Balance as at April 30, 2017	Augmentation Addition	Dépréciation Impairment	Solde au 30 avril 2018 Balance as at April 30, 2018
Ontario :	$	$	$	$
Eastford Lake	1 368 355	-	-	1 368 355
Carnegie	744 635	28 499	-	773 134
Kidd Township	3 224 288	20 359	-	3 244 647
PG-101	180 166	30 332	-	210 498
Montrose	105 840	21 308	-	127 148
Ogden	441 256	13 900	-	455 156
Hoyle	-	1 859	-	1 859
Timmins Porcupine West	22 013 614	567 410	-	22 581 024
Québec / Quebec :				
East Bay	781 420	650 964	-	1 432 384
Nouveau-Brunswick / New Brunswick :				
Moose Brooke	7 289	-	-	7 289
Chester	162 574	67 449	-	230 023
	29 029 437	1 402 080	-	30 431 517

Pour les exercices clos les 30 avril 2019 et 2018, les dépenses suivantes, associées à la découverte de ressources minérales, ont été comptabilisées dans les frais de prospection et d'évaluation.

For the years ended April 30, 2019 and 2018, the following expenses, associated with the discovery of mineral resources, have been included in the costs of exploration and evaluation expenses.

	2019	**2018**	
	$	$	
Coupe de lignes	7 950	-	Line cutting
Honoraires de géologues	16 452	157 674	Geologist fees
Honoraires d'ingénieurs	13 500	223 800	Engineering fees
Techniciens miniers	-	20 548	Mining technicians
Frais de location	32 670	81 539	Lease expenses
Levés géophysiques	15 300	2 400	Geophysical surveys
Analyses	22 089	63 603	Analysis
Forage	-	830 850	Drilling
Frais généraux de prospection et d'évaluation	10 766	21 666	General exploration and evaluation expenses
	118 727	1 402 080	
Dépréciation des frais de prospection et d'évaluation	(4 562 600)	-	Impairment of exploration and evaluation expenses
	(4 443 873)	1 402 080	
Solde au début	30 431 517	29 029 437	Balance, beginning of year
Solde à la fin	25 987 644	30 431 517	Balance, end of year

7- FACILITÉ DE CRÉDIT

La Société dispose d'une ligne de crédit par carte de crédit d'un montant maximal de 50 000 $, portant intérêt au taux annuel de 19,99 % sur les achats. Au 30 avril 2019, la Société dispose d'un montant inutilisé de 30 848 $ (39 418 $ au 30 avril 2018). Le solde de la ligne de crédit est présenté dans les créditeurs et charges à payer.

7- CREDIT FACILITY

The Corporation has a line of credit by credit card for a maximum amount of $50,000, bearing interest at an annual rate of 19.99% on purchases. As at April 30, 2019, the Corporation has an unused amount of $30,848 ($39,418 as at April 30, 2018). Balance of line of credit is presented with accounts payable and accrued liabilities.

8- DÉBENTURES CONVERTIBLES

8- CONVERTIBLE DEBENTURES

	2019 $	2018 $	
Composante dette			**Debt component**
Débentures, non garanties, portant intérêt à un taux annuel de 7 % (le taux d'intérêt effectif est de 13 %, intérêts payables annuellement (détaillé en a)).	-	1 168 309	Debentures, unsecured, bearing interest at an annual rate of 7% (effective interest rate of 13%), interest payable annually (detailed in a)).
Débentures, non garanties, portant intérêt à un taux annuel de 8 % (le taux d'intérêt effectif est de 16 %, intérêts payables annuellement (détaillé en b)).	767 500	678 601	Debentures, unsecured, bearing interest at an annual rate of 8% (effective interest rate of 16%), interest payable annually (detailed in b)).
Débentures, garanties par des actifs de prospection et d'évaluation d'une valeur comptable nette de 25 282 565 $, portant intérêt à un taux annuel de 8 % (le taux d'intérêt effectif est de 12 %, intérêts payables annuellement (détaillé en c)).	1 265 827	-	Debentures, secured by exploration and evaluation assets of a net book value of $25,282,565, bearing interest at an annual rate of 8% (effective interest rate of 12%), interest payable annually (detailed in c)).
Coûts de transaction reliés aux débentures (détaillé en d)).	-	(13 730)	Transaction costs related to debentures (detailed in d)).
	2 033 327	1 833 180	
Portion à court terme de la composante dette des débentures convertibles	2 033 327	1 833 180	Current portion of the debt component of convertible debentures
	-	-	

a) En juillet 2016, la Société a émis des débentures non garanties pour un montant totalisant 1 200 000 $, portant intérêt à un taux annuel de 7 %. À la date d'émission, la composante dette de ces débentures s'élevait à 848 086 $, représentant la valeur actualisée des paiements d'intérêts et du remboursement de capital jusqu'au 5 juillet 2018. La différence entre la valeur nominale des débentures et la composante dette s'élève à 351 914 $ et représente l'option de conversion pour un montant de 94 322 $ et les bons de souscription émis pour un montant de 257 592 $. Ces montants ont été comptabilisés aux capitaux propres de la Société à l'émission. Le capital de ces débentures est convertible, au gré du détenteur, en actions ordinaires de la Société à un prix de 0,15 $ chacune. La composante dette a été augmentée à sa valeur nominale de 1 200 000 $ sur la durée de cet instrument financier, afin de refléter, à des fins comptables, un taux d'intérêt annuel effectif de 13 % représentant l'estimation d'un taux d'intérêt d'instruments similaires de dette qui ne comportent pas de composante capitaux propres.

a) In July 2016, the Corporation issued unsecured debentures for an amount totaling $1,200,000, bearing interest at a rate of 7%. At the date of issuance, the debt component of these debentures amounted to $848,086, representing the present value of interest and principal repayment up to July 5, 2018. The difference between the nominal value of debentures and the debt component amounts to $351,914 and represents the conversion option for an amount of $94,322 and the warrants issued for an amount of $257,592. These amounts have been recorded upon issuance in the equity of the Corporation. The principal of these debentures is convertible, at the option of the holder, into common shares of the Corporation at a price of $0.15 each. Over the term of the convertible debentures, the debt component has been increased to its nominal value of $1,200,000 to provide, for accounting purposes, an actual annual interest expense equal to 13%, representing the estimated interest rate of similar debt instruments which do not have equity components.

8- DÉBENTURES CONVERTIBLES (suite)

a) Dans le cadre de ce placement, la Société a émis 4 000 000 bons de souscription. Chaque bon de souscription permettait au détenteur de souscrire à une action ordinaire au prix de 0,20 $ pour une période de 2 ans. Les débentures n'ont pas été converties ni remboursées à la date d'échéance. La Société a émis de nouvelles débentures en novembre 2018 afin de régler ces débentures échues (voir c)). Lors du renouvellement, la Société a décomptabilisé le passif de 1 200 000 $ et la composante capitaux propre au montant de 90 900 $ a été transférée au surplus d'apport.

b) En avril 2017, la Société a émis des débentures non garanties pour un montant totalisant 805 000 $, portant intérêt à un taux annuel de 8 %. À la date d'émission, la composante dette de ces débentures s'élevait à 604 900 $, représentant la valeur actualisée des paiements d'intérêts et du remboursement de capital jusqu'au 3 et 10 avril 2019. La différence entre la valeur nominale des débentures et la composante dette s'élève à 200 100 $ et représente l'option de conversion pour un montant de 89 100 $ et les bons de souscription émis pour un montant de 111 000 $. Ces montants ont été comptabilisés aux capitaux propres de la Société à l'émission. Le capital de ces débentures est convertible, au gré du détenteur, en actions ordinaires de la Société à un prix de 0,075 $ chacune les 12 premiers mois et à un prix de 0,10 $ chacune par la suite. La composante dette devait être augmentée à sa valeur nominale de 805 000 $ sur la durée de cet instrument financier, afin de refléter, à des fins comptables, un taux d'intérêt annuel effectif de 16 % représentant l'estimation d'un taux d'intérêt d'instruments similaires de dette qui ne comportent pas de composante capitaux propres. Dans le cadre de ce placement, la Société avait émis 5 366 935 bons de souscription. Chaque bon de souscription permettait au détenteur de souscrire à une action ordinaire au prix de 0,12 $ pour une période de 2 ans. Au cours de l'exercice 2018, une débenture pour un montant de 37 500 $ a été convertie en 500 000 actions ordinaires. La composante dette au moment de la conversion au montant de 30 689 $ et la composante capitaux propres au montant de 4 150 $ ont été reclassées dans le capital social de la Société. Au 30 avril 2019, la composante capitaux propres de ces débentures s'élève à 81 310 $. En juillet 2019, ces débentures convertibles ont été renouvelées à de nouvelles conditions (voir note 20).

8- CONVERTIBLE DEBENTURES (continued)

a) In connection with this placement, the Corporation issued 4,000,000 warrants. Each warrant allowed its holder to purchase one common share at a price of $0.20 for a period of 2 years. The debentures have not been converted or repaid on the maturity date. The Corporation issued new debentures in November 2018 to settle these debentures (see c)). On renewal, the Corporation derecognized the liability of $1,200,000 and the equity component of the amount of $90,900 was transferred to contributed surplus.

b) In April 2017, the Corporation issued unsecured debentures for an amount totaling $805,000, bearing interest at an annual rate of 8%. At the date of issuance, the debt component of these debentures amounted to $604 900, representing the present value of interest and principal repayment up to April 3 and April 10, 2019. The difference between the nominal value of debentures and the debt component amounted to $200,100 and represents the conversion option for an amount of $89,100 and the warrants issued for an amount of $111,000. These amounts have been recorded at that time in the equity of the Corporation. The principal of these debentures is convertible, at the option of the holder, into common shares of the Corporation at a price of $0.075 each for the first 12 months and at a price of $0.10 per share thereafter. Over the term of the convertible debentures, the debt component should be increased to its nominal value of $805,000 to provide, for accounting purposes, an actual interest expense equal to 16%, representing the estimated interest rate of similar debt instruments which do not have equity components. In connection with this placement, the Corporation issued 5,366,935 warrants. Each warrant allowed its holder to purchase one common share at a price of $0.12 for a period of 2 years. During the year 2018, a debenture for an amount of $37,500 was converted into 500,000 common shares. The debt component at the time of the conversion of an amount of $30,689 and the equity component amounting to $4,150 have been reclassified in the capital stock of the Corporation. As at April 30, 2019, the equity component of these debentures amounts to $81,310. In July 2019, these convertible debentures were renewed at new conditions (see Note 20).

8- DÉBENTURES CONVERTIBLES (suite)

c) En novembre 2018, la Société a émis des débentures convertibles garanties pour un montant totalisant 1 300 000 $, portant intérêt à un taux annuel de 8 %. Les débentures sont garanties par des actifs de prospection et d'évaluation en lien avec la propriété Timmins Porcupine West. À la date d'émission, la composante dette de ces débentures s'élevait à 1 241 160 $, représentant la valeur actualisée des paiements d'intérêts et du remboursement de capital jusqu'au 28 novembre 2019. La différence entre la valeur nominale des débentures et la composante dette s'élève à 58 840 $ et représente l'option de conversion pour un montant de 45 970 $ et les bons de souscription émis pour un montant de 12 870 $. Ces montants ont été comptabilisés aux capitaux propres de la Société à l'émission. Le capital de ces débentures est convertible, au gré du détenteur, en actions ordinaires de la Société à un prix de 0,05 $ chacune. La composante dette sera augmentée à sa valeur nominale de 1 300 000 $ sur la durée de cet instrument financier, afin de refléter, à des fins comptables, un taux d'intérêt annuel effectif de 12 % représentant l'estimation d'un taux d'intérêt d'instruments similaires de dette qui ne comportent pas de composante capitaux propres. Dans le cadre de ce placement, la Société a émis 13 000 000 bons de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,10 $ pour une période d'un an.

d) Au 30 avril 2018, les coûts de transaction reliés aux débentures sont constitués de 1 138 666 options émises à des intervenants. Parmi ces options, 280 000 options permettaient de souscrire à 280 000 actions ordinaires au prix de 0,15 $ l'action jusqu'au 5 juillet 2018 et 858 666 options permettaient de souscrire à 858 666 actions aux prix de 0,075 $ l'action jusqu'au 3 et 10 avril 2019. Les coûts de transaction reliés aux débentures sont constatés sur la durée de vie prévue des débentures.

8- CONVERTIBLE DEBENTURES (continued)

c) In November 2018, the Corporation issued convertible secured debentures for an amount totaling $1,300,000, bearing interest at a rate of 8%. The debentures are secured by exploration and evaluation assets in connection with the Timmins Porcupine West property. At the date of issuance, the debt component of these debentures amounted to $1,241,160, representing the present value of interest and principal repayment up to November 28, 2019. The difference between the nominal value of debentures and the debt component amounts to $58,840 and represents the conversion option for an amount of $45,970 and the warrants issued for an amount of $12,870. These amounts have been recorded upon issuance in the equity of the Corporation. The principal of these debentures is convertible, at the option of the holder, into common shares of the Corporation at a price of $0.05 each. Over the term of the convertible debentures, the debt component will be increased to its nominal value of $1,300,000 to provide, for accounting purposes, an actual annual interest expense equal to 12%, representing the estimated interest rate of similar debt instruments which do not have equity components. In connection with this placement, the Corporation issued 13,000,000 warrants. Each warrant entitles its holder to purchase one common share at a price of $0.10 for a period of one year.

d) As at April 30, 2018, transaction costs related to debentures consist of 1,138,666 options granted to intermediaries. Among these options, 280,000 options allowed to subscribe to 280,000 common shares at a price of $0.15 per share up to July 5, 2018, and 858,666 options allowed to subscribe to 858,666 common shares at a price of $0.075 per share up to April 3 and 10, 2019. Transaction costs related to debentures are recognized over the expected life of the debentures.

9- DETTE À LONG TERME / 9- LONG-TERM DEBT

	2019 $	2018 $	
Dette envers l'Agence du Revenu du Canada (ARC), sans modalité de remboursement, portant intérêt au taux prescrit par l'ARC. Le taux d'intérêt est de 6 % au 30 avril 2019 (5,18 % au 30 avril 2018).	832 714	622 409	Debt owed to the Canada Revenue Agency (CRA), without repayment terms, bearing interest at the rate prescribed by the CRA. The interest rate is 6% as at April 30, 2019 (5.18% as at April 30, 2018).
Portion court terme de la dette à long terme	832 714	622 409	Current portion of long-term debt
	-	-	

10- AUTRE PASSIF / 10- OTHER LIABILITY

	2019 $	2018 $	
Solde au début	208 381	148 953	Balance, beginning of year
Augmentation de l'exercice	-	190 206	Increase of the year
Radiation d'obligations liées aux financements accréditifs	(172 876)	-	Write-off of obligations related to flow-through financings
Réduction liée à l'engagement des dépenses	(15 049)	(130 778)	Decrease related to the incurring of expenses
Solde à la fin	20 456	208 381	Balance, end of year

Le poste autre passif est représenté par la vente de déductions fiscales aux investisseurs par le biais de financements accréditifs. / Other liability is represented by the sale of tax deductions to investors following flow-through shares financings.

11- CAPITAL-SOCIAL / 11- CAPITAL STOCK

Autorisé

Nombre illimité d'actions ordinaires sans valeur nominale

Nombre illimité d'actions privilégiées, non votantes, dividende de 10 %, rachetables au gré de la Société à 1 $ par action

Les mouvements dans les actions ordinaires de la Société se détaillent comme suit :

Authorized

Unlimited number of common shares without par value

Unlimited number of preferred shares, non-voting, dividend at a rate of 10%, redeemable at the Corporation's option for 1$ per share

Changes in Corporation common shares were as follows:

	2019		2018		
	Quantité Number	Montant Amount $	Quantité Number	Montant Amount $	
Solde au début	190 297 224	56 782 742	146 773 735	54 511 880	**Balance, beginning of year**
Financement accréditif (1)	-	-	30 723 622	1 745 333	Flow-through shares (1)
Payées en argent (2)	-	-	5 099 867	317 600	Paid in cash (2)
Modification aux bons de souscription (3)	-	-	-	(48 500)	Modification of Warrants (3)
Acquisition de propriétés minières	100 000	4 000	7 200 000	378 000	Acquisition of mining properties
Débentures converties	-	-	500 000	34 839	Converted debentures
Frais d'émission d'actions (4)	-	-	-	(156 410)	Share issuance expenses (4)
	190 397 224	56 786 742	190 297 224	56 782 742	
À émettre					**To be issued**
Acquisition de propriétés minières	-	-	100 000	4 000	Acquisition of mining properties
Solde à la fin	190 397 224	56 786 742	190 397 224	56 786 742	**Balance, end of year**

Au 30 avril 2019 et au 30 avril 2018, 190 397 224 actions sont émises et sont entièrement libérées.

(1) Au 30 avril 2018, la valeur des financements accréditifs est présentée déduction faite de la juste valeur des bons de souscription au montant de 187 306 $ et de la prime liée à la vente de déductions fiscales de 190 206 $.

(2) Au 30 avril 2018, la valeur des actions payées en argent est présentée déduction faite de la juste valeur des bons de souscription au montant de 45 560 $.

(3) La Société a modifié l'échéance de 4 920 000 bons de souscription. Elle a reporté la date d'expiration de ces bons de souscription de février 2018 à février 2019. Une augmentation de la juste valeur des bons de souscription a été inscrite en réduction du capital-social.

(4) Au 30 avril 2018, les frais d'émission sont composés de 18 667 $ pour l'octroi d'options aux courtiers et à des intervenants et de 137 743 $ payés en espèces.

As at April 30, 2019 and as at April 30, 2018, 190,397,224 shares are issued and fully paid.

(1) As at April 30, 2018, value of flow-through shares is presented net of the fair value of warrants amounting to $187,306 and premium related to the sale of tax deductions amounting to $190,206.

(2) As at April 30, 2018, value of capital stock paid in cash is presented net of the fair value of warrants amounting to $45,560.

(3) The Corporation modified the expiry date of 4,920,000 warrants. It postponed the expiration date of those warrants from February 2018 to February 2019. An increase of the fair value of warrants was recorded as a reduction of capital stock.

(4) As at April 30, 2018, share issuance expenses are composed of $18,667 for options granted to brokers and intermediaries and of $137,743 paid in cash.

11- CAPITAL-SOCIAL (suite)

Exercice clos le 30 avril 2018

En juin 2017, la Société a émis 300 000 actions ordinaires à un prix de 0,08 $ l'action en contrepartie de l'acquisition de claims de la propriété PG-101 pour un montant de 24 000 $.

En juin 2017, la Société a émis 400 000 actions ordinaires à un prix de 0,08 $ l'action en contrepartie de l'acquisition de claims de la propriété Kidd Township pour un montant de 32 000 $.

En août 2017, la Société a effectué une première et une deuxième clôture d'un placement privé composé de 3 202 941 actions accréditives et 355 882 actions ordinaires à un prix de 0,085 $ l'action pour un produit brut de 302 500 $. Chaque action ordinaire est accompagnée d'un-demi bon de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,15 $ pour une période de 2 ans. La juste valeur des bons de souscription émis dans le cadre de ce placement s'élève à 41 300 $ et la valeur attribuée à la prime sur actions accréditives est de 9 000 $.

En septembre 2017, la Société a effectué une troisième clôture d'un placement privé composé de 498 706 actions accréditives et 55 412 actions ordinaires à un prix de 0,085 $ l'action pour un produit brut de 47 100 $. Chaque action ordinaire est accompagnée d'un-demi bon de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,15 $ pour une période de 2 ans. La juste valeur des bons de souscription émis dans le cadre de ce placement s'élève à 6 600 $ et la valeur attribuée à la prime sur actions accréditives est de 0 $.

En octobre 2017, la Société a émis 1 000 000 d'actions ordinaires à un prix de 0,06 $ l'action, aux Premières Nations Matachewan et Mattagami pour la propriété Montrose, représentant un montant de 60 000 $.

En octobre 2017, une débenture pour un montant de 37 500 $ a été convertie en 500 000 actions ordinaires.

En novembre 2017, la Société a émis 2 857 143 actions ordinaires à un prix de 0,07 $ l'action pour un montant brut de 200 000 $. Chaque action ordinaire est accompagnée d'un-demi bon de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,12 $ pour une période de 2 ans. La juste valeur des bons de souscription émis dans le cadre de ce placement s'élève à 26 200 $

En novembre 2017, la Société a émis 12 491 500 actions accréditives à un prix de 0,07 $ l'action pour un produit brut de 874 405 $. Chaque action ordinaire est accompagnée d'un-demi bon de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,12 $ pour une période de 2 ans. La juste valeur des bons de souscription émis dans le cadre de ce placement s'élève à 96 316 $ et la valeur attribuée à la prime sur actions accréditives est de 111 156 $.

En décembre 2017, la Société a émis 2 100 000 actions ordinaires à un prix de 0,06 $ l'action en contrepartie de l'acquisition de claims de la propriété Ogden pour un montant de 126 000 $.

11- CAPITAL STOCK (continued)

Year ended April 30, 2018

In June 2017, the Corporation issued 300,000 common shares at a price of $0.08 per share as consideration of the acquisition of claims of the PG-101 property for an amount of $24,000.

In June 2017, the Corporation issued 400,000 common shares at a price of $0.08 per share as consideration of the acquisition of claims of the Kidd Township property for an amount of $32,000.

In August 2017, the Corporation completed a first and second closing of a private placement comprised of 3,202,941 flow-through shares and 355,882 common shares at a price of $0.085 per share for total gross proceeds of $302,500. Each common share is accompanied of one-half warrant. Each warrant entitling its holder to purchase one share at a price of $0.15 for a period of 2 years. Fair value of warrants issued under this placement amounts to $41,300 and the value attributed to flow-through shares premium is $9,000.

In September 2017, the Corporation completed a third closing of a private placement comprised of 498,706 flow-through shares and 55,412 common shares at a price of $0.085 per share for total gross proceeds of $47,100. Each common share is accompanied of one-half warrant. Each warrant entitling its holder to purchase one share at a price of $0.15 for a period of 2 years. Fair value of warrants issued under this placement amounts to $6,600 and the value attributed to flow-through shares premium is $0.

In October 2017, the Corporation issued 1,000,000 common shares at a price of $0.06 per share, to First Nations Matachewan and Mattagami for the Montrose property, for an amount of $60,000.

In October 2017, a debenture for an amount of $37,500 was converted into 500,000 common shares.

In November 2017, the Corporation issued 2,857,143 common shares at a price of $0.07 per share for total gross proceeds of $200,000. Each common share is accompanied of one-half warrant. Each warrant entitling its holder to purchase one share at a price of $0.12 for a period of 2 years. Fair value of warrants issued under this placement amounts to $26,200.

In November 2017, the Corporation issued 12,491,500 flow-through shares at a price of $0.07 per share for total gross proceeds of $874,405. Each common share is accompanied of one-half warrant. Each warrant entitling its holder to purchase one share at a price of $0.12 for a period of 2 years. Fair value of warrants issued under this placement amounts to $96,316 and the value attributed to flow-through shares premium is $111,156.

In December 2017, the Corporation issued 2,100,000 common shares at a price of $0.06 per share as consideration of the acquisition of claims of the Ogden property for an amount of $126,000.

11- CAPITAL-SOCIAL (suite)

Exercice clos le 30 avril 2018 (suite)

En décembre 2017, la Société a effectué une première et une deuxième clôture d'un placement privé composé de 4 525 714 actions accréditives et 502 858 actions ordinaires à un prix de 0,07 $ l'action pour un produit brut de 352 000 $. Chaque action ordinaire est accompagnée d'un-demi bon de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,10 $ pour une période de 2 ans. La juste valeur des bons de souscription émis dans le cadre de ce placement s'élève à 44 450 $ et la valeur attribuée à la prime sur actions accréditives est de 39 250 $.

En décembre 2017, la Société a émis 8 333 333 actions ordinaires accréditives à un prix de 0,06 $ pour un produit brut de 500 000 $.

En février 2018, la Société a effectué une première clôture d'un placement privé composé de 1 542 857 actions accréditives et 171 429 actions ordinaires à un prix de 0,07 $ l'action pour un produit brut de 120 000 $. Chaque action ordinaire est accompagnée d'un-demi bon de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,10 $ pour une période de 2 ans. La juste valeur des bons de souscription émis dans le cadre de ce placement s'élève à 8 800 $ et la valeur attribuée à la prime sur actions accréditives est de 28 800 $.

En mars 2018, la Société a effectué une deuxième clôture d'un placement privé composé de 128 571 actions accréditives et 1 157 143 actions ordinaires à un prix de 0,07 $ l'action pour un produit brut de 90 000 $. Chaque action ordinaire est accompagnée d'un-demi bon de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,10 $ pour une période de 2 ans. La juste valeur des bons de souscription émis dans le cadre de ce placement s'élève à 9 200 $ et la valeur attribuée à la prime sur actions accréditives est de 2 000 $.

En avril 2018, la Société a émis 3 000 000 d'actions ordinaires à un prix de 0,04 $ l'action en contrepartie de l'acquisition de claims de la propriété Hoyle pour un montant de 120 000 $.

En avril 2018, la Société a émis 400 000 actions ordinaires à un prix de 0,04 $ l'action en contrepartie de l'acquisition de claims de la propriété East Bay pour un montant de 16 000 $.

11- CAPITAL STOCK (continued)

Year ended April 30, 2018 (continued)

In December 2017, the Corporation completed a first and second closing of a private placement comprised of 4,525,714 flow-through shares and 502,858 common shares at a price of $0.07 per share for total gross proceeds of $352,000. Each common share is accompanied of one-half warrant. Each warrant entitling its holder to purchase one share at a price of $0.10 for a period of 2 years. Fair value of warrants issued under this placement amounts to $44,450 and the value attributed to flow-through shares premium is $39,250.

In December 2017, the Corporation issued 8,333,333 flow-through shares at a price of $0.06 per share for total gross proceeds of $500,000.

In February 2018, the Corporation completed a first closing of a private placement comprised of 1,542,857 flow-through shares and 171,429 common shares at a price of $0.07 per share for total gross proceeds of $120,000. Each common share is accompanied of one-half warrant. Each warrant entitling its holder to purchase one share at a price of $0.10 for a period of 2 years. Fair value of warrants issued under this placement amounts to $8,800 and the value attributed to flow-through shares premium is $28,800.

In March 2018, the Corporation completed a second closing of a private placement comprised of 128,571 flow-through shares and 1,157,143 common shares at a price of $0.07 per share for total gross proceeds of $90,000. Each common share is accompanied of one-half warrant. Each warrant entitling its holder to purchase one share at a price of $0.10 for a period of 2 years. Fair value of warrants issued under this placement amounts to $9,200 and the value attributed to flow-through shares premium is $2,000.

In April 2018, the Corporation issued 3,000,000 common shares at a price of $0.04 per share as consideration of the acquisition of claims of the Hoyle property for an amount of $120,000.

In April 2018, the Corporation issued 400,000 common shares at a price of $0.04 per share as consideration of the acquisition of claims of the East Bay property for an amount of $16,000.

12- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION

Options d'achat d'actions

Les actionnaires de la Société ont approuvé un régime d'options d'achat d'actions (le « régime ») selon lequel les membres du conseil d'administration peuvent attribuer des options d'achat d'actions permettant à ses administrateurs, dirigeants, employés, consultants et fournisseurs d'acquérir des actions ordinaires de la Société. Les conditions et le prix d'exercice de chaque option d'achat d'actions sont déterminés par les membres du conseil d'administration. Les conditions d'acquisition des options d'achat d'actions sont sans restriction sauf celles octroyées à un responsable des relations avec les investisseurs qui seront acquises graduellement à raison de 25 % par trimestre.

Le régime stipule que le nombre maximum d'actions ordinaires dans le capital de la Société qui pourrait être réservé pour attribution en vertu du régime est égal à 10 % des actions émises et en circulation au moment de l'octroi des options. Le nombre maximal d'actions ordinaires réservées à l'attribution des options d'achat d'actions à un seul détenteur ne peut dépasser 5 % des actions ordinaires en circulation à la date d'attribution et ne peut excéder 2 % des actions ordinaires en circulation dans le cas des consultants et des responsables des relations avec les investisseurs. Les options d'achat d'actions expireront au plus tard cinq ans après avoir été octroyées.

Le prix d'exercice de chaque option d'achat d'actions est établi par le conseil d'administration et ne peut être inférieur à la valeur marchande des actions ordinaires à la date de l'octroi. Toute option d'achat d'actions est réglable en actions conformément aux politiques de la Société.

Au cours de l'exercice, la juste valeur des options octroyées en vertu du régime a été calculée selon le modèle Black-Scholes d'évaluation du prix des options avec les hypothèses de la moyenne pondérée suivantes : durée estimative de 5 ans (5 ans en 2018), taux d'intérêt sans risque de 2,3 % (1,49 % en 2018), prix des actions à la date de l'octroi de 0,02 $ (0,08 $ en 2018), dividende prévu de 0 % (0 % en 2018) et volatilité prévue de 90 % (94 % en 2018).

12- SHARE PURCHASE OPTIONS AND WARRANTS

Share Purchase Options

The shareholders of the Corporation approved a stock option plan (the "plan") whereby the Board of Directors may grant to employees, officers, directors, consultants and suppliers of the Corporation, share purchase options to acquire common shares of the Corporation. Terms and exercise price of each option is determined by the Board of Directors. The acquisition conditions of share purchase options are without restrictions except those granted to investor relation representatives which are gradually acquired at a rate of 25% each quarter.

The plan provides that the maximum number of common shares in the capital of the Corporation that may be reserved for issuance under the plan shall be equal to 10% of the issued and outstanding shares at the time of grant. The maximum number of common shares which may be reserved for issuance to any optionee may not exceed 5% of the outstanding common shares at the time of the grant and cannot exceed 2% of the outstanding common shares for consultants and investor relation representative. Options will expire no later than five years after being granted.

The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of grant. Any share purchase option is payable in shares in accordance with Corporation policies.

During the year, the fair value of options granted in accordance with the plan was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: estimated duration of 5 years (5 years in 2018), risk-free interest rate of 2.3% (1.49% in 2018), price of shares at the time of grant of $0.02 ($0.08 in 2018), dividend yield of 0% (0% in 2018) and expected volatility rate of 90% (94% in 2018).

12- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION (suite)

Options d'achat d'actions (suite)

Les mouvements dans les options d'achat d'actions de la Société se détaillent comme suit :

12- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Share Purchase Options (continued)

Changes in Corporation share purchase options were as follows:

	2019		2018		
	Quantité Number	Prix de levée moyen pondéré Weighted average exercise price $	Quantité Number	Prix de levée moyen pondéré Weighted average exercise price $	
Solde au début	11 602 500	0,15	7 152 500	0,20	**Balance, beginning of year**
Octroyées	5 300 000	0,05	4 900 000	0,08	Granted
Expirées	(1 860 000)	0,45	-	-	Expired
Annulées	-	-	(450 000)	0,12	Cancelled
Solde à la fin	15 042 500	0,08	11 602 500	0,15	**Balance, end of year**
Exerçables à la fin de l'exercice	15 042 500	0,08	11 602 500	0,15	Exercisable at the end of year

	2019 $	2018 $	
Moyenne pondérée de la juste valeur des options octroyées	0,01	0,06	Weighted average fair value of options granted

Les tableaux ci-après résument l'information relative aux options d'achat d'actions octroyées en vertu du régime.

The following tables summarize the information relating to the share purchase options granted under the plan.

Options en circulation au 30 avril 2019 **Options Outstanding as at April 30, 2019**	**Moyenne pondérée de la période résiduelle de levée** **Weighted average remaining contractual life**	**Prix de levée** **Exercise price** $
1 517 500	0,3 an / 0.3 year	0,08
925 000	1 an / 1 year	0,075
2 600 000	1,9 ans / 1.9 years	0,15
4 700 000	3,3 ans / 3.3 years	0,08
5 300 000	4,4 ans / 4,4 years	0,05
15 042 500		

12- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION (suite)

Options d'achat d'actions (suite)

12- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Share Purchase Options (continued)

Options en circulation au 30 avril 2018 Options Outstanding as at April 30, 2018	Moyenne pondérée de la période résiduelle de levée Weighted average remaining contractual life	Prix de levée Exercise price $
280 000	0,2 an / 0.2 year	0,15
1 580 000	0,3 an / 0.3 year	0,50
1 517 500	1,3 an / 1.3 year	0,08
925 000	2 ans / 2 years	0,075
2 600 000	2,9 ans / 2.9 years	0,15
4 700 000	4,3 ans / 4.3 years	0,08
11 602 500		

Bons de souscription

Au cours de l'exercice, la juste valeur des bons de souscription octroyés a été calculée selon le modèle d'évaluation Black-Scholes avec les hypothèses de la moyenne pondérée suivantes : durée estimative d'un an (2 ans en 2018), taux d'intérêt sans risque de 2,19 % (1,46 % en 2018), prix des actions à la date de l'octroi de 0,02 $ (0,06 $ en 2018), dividende prévu de 0 % (0 % en 2018) et volatilité prévue de 103 % (86 % en 2018).

Warrants

During the year, the fair value of warrants granted was estimated using the Black-Scholes pricing model with the following weighted average assumptions: estimated duration of one year (2 years in 2018), risk-free interest rate of 2.19% (1.46% in 2018), price of share at time of grant of $0.02 ($0.06 in 2018), expected dividend yield of 0% (0% in 2018) and expected volatility rate of 103% (86% in 2018).

Les mouvements dans les bons de souscription de la Société se détaillent comme suit :

Changes in Corporation warrants were as follows:

	2019		2018		
	Quantité Number	Prix de souscription moyen pondéré Weighted average exercise price $	Quantité Number	Prix de souscription moyen pondéré Weighted average exercise price $	
Solde au début	29 043 778	0,14	15 298 700	0,15	**Balance, beginning of year**
Octroyés	13 000 000	0,10	13 745 078	0,12	Granted
Expirés	(15 298 700)	0,15	-	-	Expired
Solde à la fin	26 745 078	0,11	29 043 778	0,14	**Balance, end of year**
Exerçables à la fin de l'exercice	26 745 078	0,11	29 043 778	0,14	Exercisable at the end of year

	2019 $	2018 $	
Moyenne pondérée de la juste valeur des bons de souscription octroyés	0,001	0,02	Weighted average fair value of warrants granted

12- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION (suite)

Bons de souscription (suite)

Les tableaux ci-après résument l'information relative aux bons de souscription en circulation.

12- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Warrants (continued)

The following tables summarize the information relating to the warrants outstanding.

Bons de souscription au 30 avril 2019 Warrants as at April 30, 2019	Prix Price $	Date d'expiration Expiry Date
1 779 412	0,15	Août 2019 / August 2019
277 059	0,15	Septembre 2019 / September 2019
7 674 321	0,12	Novembre 2019 / November 2019
13 000 000	0,10	Novembre 2019 / November 2019
2 514 286	0,10	Décembre 2019 / December 2019
857 143	0,10	Février 2020 / February 2020
642 857	0,10	Mars 2020 / March 2020
26 745 078		

Bons de souscription au 30 avril 2018 Warrants as at April 30, 2018	Prix Price $	Date d'expiration Expiry Date
4 000 000	0,20	Juillet 2018 / July 2018
294 118	0,15	Novembre 2018 / November 2018
717 647	0,15	Décembre 2018 / December 2018
5 366 935	0,12	Avril 2019 / April 2019
4 920 000	0,15	Février 2019 / February 2019
1 779 412	0,15	Août 2019 / August 2019
277 059	0,15	Septembre 2019 / September 2019
7 674 321	0,12	Novembre 2019 / November 2019
2 514 286	0,10	Décembre 2019 / December 2019
857 143	0,10	Février 2020 / February 2020
642 857	0,10	Mars 2020 / March 2020
29 043 778		

Options émises aux courtiers et à des intervenants

Au cours de l'exercice précédent, la juste valeur des options octroyées aux courtiers et à des intervenants a été calculée selon le modèle d'évaluation Black-Scholes en considérant la moyenne pondérée des hypothèses suivantes : durée estimative de 2 ans, taux d'intérêt sans risque de 1,68 %, prix des actions à la date de l'octroi de 0,06 $, dividende prévu de 0 % et volatilité prévue de 87 %.

Options Granted to Brokers and Intermediaries

During the previous year, the fair value of options granted to brokers and intermediaries was estimated using the Black-Scholes pricing model with the following weighted average assumptions: estimated duration of 2 years, risk-free interest rate of 1.68%, price of shares at the time of grant of $0.06, dividend yield of 0% and expected volatility rate of 87%.

12- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION (suite)

12- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Options émises aux courtiers et à des intervenants (suite)

Options Granted to Brokers and Intermediaries (continued)

Les mouvements dans les options aux courtiers et à des intervenants se détaillent comme suit :

Changes in brokers and intermediaries options were as follows:

	2019		2018		
	Quantité Number	Prix de souscription moyen pondéré Weighted average exercise price $	Quantité Number	Prix de souscription moyen pondéré Weighted average exercise price $	
Solde au début	4 127 194	0,08	4 043 595	0,09	**Balance, beginning of year**
Octroyées	-	-	666 666	0,06	Granted
Expirées	(3 460 528)	0,09	(583 067)	0,14	Expired
Solde à la fin	666 666	0,06	4 127 194	0,08	**Balance, end of year**
Exerçables à la fin de l'exercice	666 666	0,06	4 127 194	0,08	Exercisable at the end of the year

	2019 $	2018 $	
Moyenne pondérée de la juste valeur des options octroyées à des courtiers et à des intervenants	-	0,028	Weighted average fair value of options granted to brokers and intermediaries

Les tableaux ci-après résument l'information relative aux options octroyées aux courtiers et à des intervenants en circulation.

The following tables summarize the information relating to the brokers and intermediaries options outstanding.

Options aux courtiers et à des intervenants au 30 avril 2019 Brokers and Intermediaries Options as at April 30, 2019	**Prix Price** $	**Date d'expiration Expiry Date**
666 666	0,06	Décembre 2019 / December 2019

Options aux courtiers et à des intervenants au 30 avril 2018 Brokers and Intermediaries Options as at April 30, 2018	**Prix Price** $	**Date d'expiration Expiry Date**
280 000	0,15	Juillet 2018 / July 2018
1 333 636	0,085	Novembre 2018 / November 2018
564 706	0,085	Décembre 2018 / December 2018
423 520	0,085	Mars 2019 / March 2019
858 666	0,075	Avril 2019 / April 2019
666 666	0,06	Décembre 2019 / December 2019
4 127 194		

13- IMPÔTS SUR LE RÉSULTAT ET IMPÔTS DIFFÉRÉS

Le rapprochement de la charge d'impôts sur le résultat calculée selon le taux d'imposition statutaire combiné fédéral et provincial du Québec, avec la charge d'impôts sur le résultat se détaille comme suit :

13- INCOME TAXES AND DEFERRED TAXES

The reconciliation of the income tax expense calculated using the combined federal and Quebec provincial statutory tax rate to the income tax expense is as follows:

	2019	2018	
	$	$	
Perte avant impôts	7 370 303	1 901 681	**Loss before income taxes**
Impôts au taux de base combiné de 26,67 % (26,77 % en 2018)	(1 965 448)	(509 080)	Income taxes at combined rate of 26.67% (26.77% in 2018)
Rémunération et paiements fondés sur des actions	15 547	75 306	Share-based compensation
Frais d'émission d'actions déductibles	(32 390)	(37 227)	Deductible share issuance expenses
Dépréciation d'actifs de prospection et d'évaluation	1 593 381	-	Impairment of exploration and evaluation assets
Éléments non déductibles	86 214	106 887	Non-deductible items
Pertes fiscales de l'exercice courant pour lesquelles aucun actif d'impôts différés n'a été reconnu	302 696	160 052	Current tax losses for which no deferred income tax asset was recognized
Variation des soldes de passifs d'impôts différés	(141 100)	284 451	Change in deferred tax liabilities
Obligations liées aux financements accréditifs	(187 925)	(130 778)	Obligations related to flow-through financings
Impôts sur le résultat et impôts différés	(329 025)	(50 389)	Income taxes and deferred taxes

Les éléments des actifs et passifs d'impôts différés se détaillent comme suit :

Components of the deferred tax assets and liabilities are as follows:

	2019	2018	
	$	$	
Propriétés minières	(481 675)	(97 136)	Mining properties
Frais de prospection et d'évaluation	698 261	1 875 887	Exploration and evaluation expenses
Pertes reportées	(4 230 083)	(3 956 425)	Losses carried forward
Ajustement fiscal des pertes reportées	-	27 142	Tax adjustment for losses carried forward
Immobilisations corporelles	(27 380)	(24 433)	Property, plant and equipment
Frais d'émission d'actions	(58 204)	(90 392)	Share issuance expenses
Placements	296	13 320	Investments
Provision pour moins-value	4 098 785	2 393 137	Valuation allowance
Passifs d'impôts différés nets	-	141 100	Net deferred tax liabilities

13- IMPÔTS SUR LE RÉSULTAT ET IMPÔTS DIFFÉRÉS (suite)

La Société a accumulé à des fins fiscales des pertes autres que des pertes en capital.

Ces pertes viendront à échéance dans les délais suivants :

13- INCOME TAXES AND DEFERRED TAXES (continued)

The Corporation has accumulated non-capital losses for income tax purposes.

These losses will expire as follows:

	Fédéral / Federal	Provincial
	$	$
2025	97 100	-
2026	84 000	97 400
2027	416 800	260 500
2028	888 000	635 000
2029	1 017 300	795 600
2030	803 100	803 000
2031	950 600	842 000
2032	2 010 000	1 977 250
2033	1 808 100	1 794 900
2034	1 755 400	1 745 500
2035	1 165 000	1 162 850
2036	1 412 000	1 408 900
2037	1 415 200	1 414 700
2038	1 360 400	1 359 800
2039	1 135 313	1 134 807

La Société a également accumulé à des fins fiscales des pertes en capital d'un montant de 57 723 $ au fédéral et au provincial.

The Corporation has also accumulated capital losses for income tax purposes for an amount of $57,723 at the federal and provincial levels.

14- RENSEIGNEMENTS COMPLÉMENTAIRES AUX FLUX DE TRÉSORERIE

Variation nette des éléments hors caisse du fonds de roulement

14- COMPLEMENTARY INFORMATIONS RELATED TO CASH FLOWS

Net change in non-cash operating working capital items

	2019	2018	
	$	$	
Autres débiteurs	(2 185)	5 325	Other receivables
Frais payés d'avance	58 446	13 426	Prepaid expenses
Taxes à recevoir	146 874	(102 165)	Taxes receivable
Créditeurs et charges à payer	381 762	(59 782)	Accounts payable and accrued liabilities
	584 897	(143 196)	

14- RENSEIGNEMENTS COMPLÉMENTAIRES AUX FLUX DE TRÉSORERIE (suite)

14- COMPLEMENTARY INFORMATIONS RELATED TO CASH FLOWS (continued)

Éléments sans incidence sur la trésorerie et les équivalents de trésorerie

Items not affecting cash and cash equivalents

	2019 $	2018 $	
Acquisition de propriétés minières par l'émission d'actions	-	382 000	Acquisition of mining properties by share issuances
Frais d'émission d'actions liés aux options aux courtiers et à des intervenants	-	18 667	Share issuance expenses related to brokers and intermediaries options
Débentures converties	-	35 000	Debentures converted
Taxes à recevoir portées en diminution de la dette à long terme	-	72 603	Taxes receivable recognized as a reduction of long-term debt
Avances à une société liée remboursées en contrepartie d'un placement	-	144 307	Advances to a related company refunded in counterpart of an investment

15- OPÉRATIONS ENTRE PARTIES LIÉES

15- RELATED PARTY TRANSACTIONS

Le tableau suivant présente les opérations conclues avec une société contrôlée par le président d'Explor.

The table below shows related party transactions with a corporation controlled by the President of Explor.

	2019 $	2018 $	
Honoraires de consultants	108 000	108 000	Consultant fees
Frais de déplacement et représentation	438	5 580	Travelling and entertainment expenses
Frais de bureau	1 703	16 718	Office expenses
Frais de location	18 000	18 000	Rent expenses
Frais de prospection et d'évaluation	16 770	269 307	Exploration and evaluation expenses

Un solde de 56 000 $ est à payer à cette société au 30 avril 2019 (41 809 $ à recevoir en 2018) et est présenté distinctement à l'état de la situation financière dans le dû à des sociétés liées.

Balance of $56,000 is payable to this corporation as at April 30, 2019 ($41,809 receivable in 2018) and is presented separately in the statement of financial position in the due to related compagnies.

Le tableau suivant présente les opérations conclues avec des membres du conseil d'administration et avec le chef des finances.

The table below shows transactions with members of the Board of Directors and with the Chief Financial Officer.

	2019 $	2018 $	
Honoraires de consultants	36 000	36 000	Consultant fees
Honoraires professionnels	-	6 530	Professional fees
Inscription, registrariat et information aux actionnaires	4 257	728	Registration, listing fees and shareholders' information
Frais d'émission d'actions	-	9 200	Share issuance expenses
Frais de déplacement et représentation	-	500	Travelling and entertainment expenses
Rémunération et paiements fondés sur des actions	44 000	206 676	Share-based compensation

15- OPÉRATIONS ENTRE PARTIES LIÉES (suite)

En relation avec ces transactions, au 30 avril 2019, un solde à payer de 0 $ (1 759 $ en 2018) est présenté avec les créditeurs et charges à payer et un solde à payer de 30 000 $ (3 449 $ en 2018) est présenté avec le dû à des administrateurs à l'état de la situation financière.

Le tableau suivant présente les opérations conclues avec une société ayant le même président qu'Explor ; les deux sociétés ont également des administrateurs en commun et avaient le même chef des finances jusqu'en décembre 2018.

	2019 $	2018 $	
Frais de bureau	3 191	7 573	Office expenses

En février 2018, la Société a signé une entente avec cette société pour le règlement d'une avance d'un montant de 144 307 $ en contrepartie d'un placement de 2 886 141 actions de cette société. En lien avec cette transaction, une perte sur règlement d'une créance au montant de 57 723 $ est comptabilisée à l'état de la perte nette pour l'exercice clos le 30 avril 2018.

Le solde à payer de 3 169 $ (1 772 $ en 2018) à cette société est présenté distinctement à l'état de la situation financière dans le dû à des sociétés liées.

Ces opérations sont mesurées au montant de la contrepartie convenu entre les parties aux accords. Les soldes sont généralement réglés en espèces.

16- PASSIFS ÉVENTUELS

La Société se finance en partie par l'émission d'actions accréditives, cependant il n'y a pas de garantie que les fonds dépensés par la Société seront admissibles comme frais d'exploration canadiens (FEC). Le refus de certaines dépenses par les autorités fiscales aurait des conséquences fiscales négatives pour les investisseurs. En vertu des conventions d'actions accréditives signées dans le passé, la Société est déjà en défaut de FEC pour un montant d'environ 3 000 000 $; ces montants se devaient d'être engagés avant la date statutaire du 31 décembre 2014 et du 31 décembre 2013. Au cours de l'exercice clos le 30 avril 2019, la Société s'est également retrouvée en défaut pour des FEC pour un montant supplémentaire d'environ 2 170 000 $ qui devaient être engagés avant le 31 décembre 2018. Au 30 avril 2019, le montant cumulatif en défaut se chiffre donc à environ 5 170 000 $. Comme certains travaux de prospection et d'évaluation n'ont pas été complétés dans les délais prescrits, il subsiste un risque financier important pour la Société ainsi qu'un risque fiscal important pour les investisseurs.

15- RELATED PARTY TRANSACTIONS (continued)

In relation with these transactions, as at April 30, 2019, an amount of $0 ($1,759 in 2018) is presented with the accounts payable and accrued liabilities and an amount of $30,000 ($3,449 in 2018) is presented with the due to directors in the statement of financial position.

The table below shows transactions with a corporation that has the same president as Explor; both corporations also have directors in common and had the same Chief Financial Officer up to December 2018.

In February 2018, the Corporation signed an agreement with this corporation to settle an advance of $144,307 in counterpart of an investment of 2,886,141 shares of this corporation. In connection with this transaction, a loss on receivable settlement for an amount of $57,723 is recorded in the statement of net loss for the year ended April 30, 2018.

Amount payable of $3,169 ($1,772 in 2018) to this corporation is presented separately in the statement of financial position in due to related companies.

These transactions are measured at the amount of consideration established and agreed by the related parties. The balances are usually settled in cash.

16- CONTINGENT LIABILITIES

The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses (CEE). Refusal of certain expenses by tax authorities would have negative tax consequences for investors. By virtue of past flow-through shares agreements, the Corporation has already a cumulative shortfall of CEE of approximately $3,000,000. These amounts had to be spent by the statutory date of December 31, 2014 and of December 31, 2013. During the year ended April 30, 2019, the Corporation was also in default for CEE for an additional amount of approximately $2,170,000 that was due to be incurred prior to December 31, 2018. As at April 30, 2019, the cumulative amount in default is therefore approximately $5,170,000. As some exploration and evaluation expenses were not completed within the prescribed deadlines, there is an important financial risk for the Corporation and also an important fiscal risk for the investors.

16- PASSIFS ÉVENTUELS (suite)

Au cours de l'exercice clos le 30 avril 2016, la Société a fait l'objet d'une vérification de l'Agence du Revenu du Canada (ARC) en relation avec les obligations légales et l'admissibilité des FEC. Au cours de l'exercice clos le 30 avril 2017, l'ARC a émis des avis de cotisation pour un montant d'environ 1 316 000 $; que la Société devait rembourser par versements mensuels de 50 000 $ conformément à l'entente. Par la suite, la Société a cessé les versements et a entrepris en décembre 2017 des démarches en vue de déposer un avis d'opposition à l'ARC. Au 30 avril 2019, le solde à payer à l'ARC s'élève à environ 830 000 $ (622 400 $ au 30 avril 2018). Ce solde inclut les impôts de la Partie XII.6 en lien avec les conventions d'actions accréditives de 2017 qui n'ont pas été respectés au 31 décembre 2018.

La Société avait comme politique de payer une compensation aux investisseurs à leur demande suite à une re-cotisation fiscale. Par contre, depuis que des représentations ont été effectuées auprès de l'ARC, la Société a suspendu cette politique. Au cours de l'exercice clos le 30 avril 2018, un montant d'environ 7 000 $ est comptabilisé comme compensation aux investisseurs, suite au refus de certains FEC par l'ARC. De plus, la Société estime le montant dû au gouvernement provincial à environ 349 000 $ qui est présenté comme provision pour pénalités et impôts de la Partie XII.6 à l'état de la situation financière au 30 avril 2019. Tout montant supplémentaire en relation avec cette provision serait alors comptabilisé aux résultats de l'exercice au cours duquel il sera possible d'en faire une estimation raisonnable.

De plus, suite à la signature de conventions d'actions accréditives, la Société devra dépenser en frais de prospection et d'évaluation un montant d'environ 78 200 $ avant le 31 décembre 2019. En outre, au 30 avril 2019, la Société ne possède pas les liquidités nécessaires pour respecter ses engagements, ce qui augmente le risque que ses obligations ne soient pas effectuées dans les délais prescrits.

En mars 2018, une poursuite en dommages a été déposée à la Cour supérieure du Québec contre la Société, les dirigeants et les administrateurs pour un montant d'environ 631 000 $. La poursuite est reliée au non-respect de conventions d'actions accréditives signées par le passé. De l'avis de la direction de la Société, la réclamation du demandeur a peu de chance de succès et il est peu probable que la Société aura à débourser un montant important en relation avec ce litige. Par le fait même, au 30 avril 2019 et 2018, aucune provision ne figure aux états financiers de la Société.

16- CONTINGENT LIABILITIES (continued)

During the year ended April 30, 2016, the Corporation was subject to an audit by Canada Revenue Agency (CRA) in relation with the legal requirements and the eligibility of CEE. During the year ended April 30, 2017, the CRA issued notices of assessment to the Corporation for an amount of approximately $1,316,000, had to repay in monthly installments of $50,000 pursuant to the agreement. Thereafter, the Corporation stopped making payments and made representation in December 2017 in order to file a notice of objection with the CRA. As at April 30, 2019, the balance payable to CRA is approximately $830,000 ($622,400 as at April 30, 2018). This balance includes Part XII.6 taxes related to the 2017 flow-through shares agreements that were not met as at December 31, 2018.

The Corporation's policy was to pay compensation to investors upon their request for fiscal re-assessment. However, since the moment, representations were made to the CRA, the Corporation has suspended this policy. During the year ended as at April 30, 2018, an amount of approximately $7,000 is accounted for as compensation to investors, following the refusal of certain CEE by the CRA. In addition, the Corporation estimates the amount owed to the Province of Quebec at approximately $349,000 which is presented as accrued penalties and Part XII.6 taxes in the statement of financial position as at April 30, 2019. All additional amounts in relation with this provision will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at this time.

Furthermore, by virtue of flow-through shares agreements signed, the Corporation has to incur exploration and evaluation expenses amounting to approximately $78,200 before December 31, 2019. In addition, as at April 30, 2019, the Corporation does not have necessary liquidities in order to fulfill its commitments, which increases the risk that obligations will not be met within the prescribed time limit.

In March 2018, a claim for damages was filed with the Superior Court of Quebec against the Corporation and the officers and directors for an amount of approximately $631,000. The claim is related to non-compliance with flow-through share agreements signed in the past. In the opinion of the Corporation's management, the claim has little chance of success and it is not very likely that the Corporation will have to disburse a significant amount of money in relation with this litigation. For this reason, as of April 30, 2019 and 2018, no provision appears in the Corporation's financial statements.

17- ENGAGEMENTS

Ententes avec les premières Nations

En juin 2013, la Société a signé un protocole d'entente avec les premières Nations Flying Post et Mattagami (les « premières nations ») quant à l'exploration de la propriété Timmins Porcupine West. La Société versera 2 % des coûts directs d'exploration dépensés sur la propriété Timmins Porcupine West à partir de la date de signature de l'entente.

En février 2016, la Société a signé un protocole d'entente avec les premières Nations Matachewan et Mattagami (les « premières nations ») quant à l'exploration de la propriété Kidd Township. Dans le cadre de cette entente, la Société a émis un total de 1 000 000 actions ordinaires aux premières nations. La Société versera 2 % des coûts directs d'exploration dépensés sur la propriété Kidd Township à partir de la date de signature de l'entente.

En septembre 2017, la Société a signé un protocole d'entente avec les premières Nations Matachewan et Mattagami (les « premières nations ») quant à l'exploration de la propriété Montrose. Dans le cadre de cette entente, la Société a émis un total de 1 000 000 d'actions ordinaires et payé 2 000 $ en espèces aux premières nations. La Société versera 2 % des coûts directs d'exploration dépensés sur la propriété Montrose à partir de la date de signature de l'entente.

Entente avec Puma Exploration inc. sur la propriété Chester

En janvier 2019, la Société a signé une entente d'option pour la vente d'un intérêt de 100 % sur la propriété Chester. En vertu de cette entente d'option, la Société pourrait recevoir un montant total de 300 000 $ en espèces et l'acquéreur doit effectuer un montant total de 1 100 000 $ en travaux de prospection et d'évaluation sur la propriété chester au cours d'une période de trois ans selon l'échéancier suivant : 100 000 $ en espèces et 250 000 $ en travaux de prospection et d'évaluation au premier anniversaire; 100 000 $ en espèces et 350 000 $ en travaux de prospection et d'évaluation au deuxième anniversaire; 100 000 $ en espèces et 500 000 $ en travaux de prospection et d'évaluation au troisième anniversaire. Suite à la transaction, la Société conservera une redevance NSR de 2 % et l'acquéreur aura la possibilité de racheter 1 % de cette redevance pour un montant de 1 000 000 $.

18- OBJECTIFS ET POLITIQUES EN MATIÈRE DE GESTION DES RISQUES FINANCIERS

Les activités de la Société sont exposées à divers risques financiers : le risque de marché, le risque de crédit et le risque de liquidités.

17- COMMITMENTS

First Nation Agreements

In June 2013, the Corporation has entered into a Memorandum of Understanding with the first nations Flying Post and Mattagami (the "First Nations") pertaining to the exploration of the Timmins Porcupine West property. The Corporation will pay 2% of all direct exploration costs incurred on this property after the signature date of the agreement.

In February 2016, the Corporation has entered into a Memorandum of Understanding with the first nations Matachewan and Mattagami (the "First Nations") pertaining to the exploration of the Kidd Township property. In connection with this agreement, the Corporation issued a total of 1,000,000 common shares to the First Nations. The Corporation will pay 2% of all direct exploration costs incurred on the Kidd Township property after the signature date of the agreement.

In September 2017, the Corporation has entered into a Memorandum of Understanding with the first nations Matachewan and Mattagami (the "First Nations") pertaining to the exploration of the Montrose property. In connection with this agreement, the Corporation issued a total of 1,000,000 common shares and paid $2,000 in cash to the First Nations. The Corporation will pay 2% of all direct exploration costs incurred on the Montrose property after the signature date of the agreement.

Agreement with Puma Exploration Inc. on Chester property

In January 2019, the Corporation signed an option agreement to sell a 100% interest in the Chester property. Under this option agreement, the Corporation could receive a total amount of $300,000 in cash and the purchaser will have to complete a total of $1,100,000 in exploration and evaluation expenses on the Chester property over a period of three years according to the following schedule: $100,000 cash and $250,000 in exploration and evaluation expenses on the first anniversary; $100,000 in cash and $350,000 in exploration and evaluation expenses on the second anniversary; $100,000 in cash and $500,000 in exploration and evaluation expenses on the third anniversary. Following the transaction, the Corporation will retain a 2% NSR royalty and the purchaser will have the opportunity to redeem 1% of this royalty for an amount of $1,000,000.

18- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

18- OBJECTIFS ET POLITIQUES EN MATIÈRE DE GESTION DES RISQUES FINANCIERS (suite)

a) Risque de marché

i) Juste valeur

La juste valeur estimative est établie à la date de l'état de la situation financière en fonction de l'information pertinente sur le marché et d'autres renseignements sur les instruments financiers. La juste valeur de l'encaisse réservée à la prospection et à l'évaluation, du dépôt à terme réservé à la prospection et à l'évaluation, des avances à une société liée, du dû à des administrateurs, du dû à des sociétés liées ainsi que des créditeurs et charges à payer correspond approximativement à leur valeur comptable en raison de leur échéance à court terme. Les placements sont comptabilisés à la juste valeur. La juste valeur des débentures et de la dette à long terme correspond approximativement à leur valeur comptable, car elles portent intérêt à un taux semblable à ce que la Société pourrait avoir sur le marché.

ii) Hiérarchie des évaluations à la juste valeur

Les placements sont évalués à la juste valeur et ils sont catégorisés de niveau 1. Leur évaluation est basée sur des données observables sur le marché. L'encaisse réservée à la prospection et à l'évaluation et le dépôt à terme réservé à la prospection et à l'évaluation sont évalués à la juste valeur et ils sont catégorisés de niveau 2. Leur évaluation est basée sur des techniques d'évaluation fondées sur des données autres que les prix cotés sur des marchés actifs qui sont observables directement ou indirectement.

iii) Risque de taux d'intérêt

Le risque de taux d'intérêt est le risque que la juste valeur des flux de trésorerie futurs d'un instrument financier fluctue en raison des variations des taux d'intérêt du marché. À l'exception du dépôt à terme réservé à la prospection et à l'évaluation, des débentures et de la dette à long terme, les instruments financiers de la Société ne portent pas intérêt. Puisque le taux d'intérêt sur le dépôt à terme réservé à la prospection et à l'évaluation et les débentures est fixe, le risque de perte provenant d'une fluctuation des taux d'intérêt sur le marché est minime. En outre, la dette à long terme porte intérêt au taux prescrit par l'ARC qui est révisé trimestriellement. Au 30 avril 2019 et 2018, la Société détient des débentures qui portent intérêt à des taux fixes de 7 % et 8 % et une dette à long terme à un taux de 6 % (5,18 % au 30 avril 2018). Les taux d'intérêt fixes exposent la Société à une variation de la juste valeur de ces instruments financiers advenant une variation des taux d'intérêt. La Société est d'avis qu'une fluctuation de 0,5 % des taux d'intérêt est raisonnablement possible. Cela aurait un effet d'environ 285 $ (282 $ en 2018) sur le dépôt à terme réservé à la prospection et à l'évaluation, de 10 338 $ (9 838 $ en 2018) sur les débentures et de 4 164 $ (3 112 $ en 2018) sur la dette à long terme.

18- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Market Risk

i) Fair Value

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about the financial instruments. Fair value of cash reserved for exploration and evaluation, term deposit reserved for exploration and evaluation, advances to a related company, due to directors, due to related companies as well as accounts payable and accrued liabilities approximate the carrying value due to their short-term. Investments are recorded at fair value. Fair value of the debentures and long-term debt approximate their carrying value as they bear interest at a similar rate to what the Corporation might have on the market.

ii) Fair Value Hierarchy

Investments are measured at fair value and they are categorized in level 1. This valuation is based on data observed in the market. Cash reserved for exploration and evaluation and term deposit reserved for exploration and evaluation are measured at fair value and they are categorized in level 2. Their valuation are based on valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable.

iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to changes in market interest rates. Except for term deposit reserved for exploration and evaluation, debentures and long-term debt, the Corporation's financial instruments do not bear interest. Since the term deposit reserved for exploration and evaluation and the debentures bear interest at a fixed rate, the risk of loss from market fluctuations in the interest rate is therefore minimal. In addition, the long-term debt bear interest at the rate prescribed by the CRA and is revised quarterly. As at April 30, 2019 and 2018, the Corporation holds debentures that bear interest at fixed rates of 7% and 8% and a long-term debt at the rate of 6% (5.18% as at April 30, 2018). Fixed interest rates expose the Corporation to the risk of variation in fair value due to interest rates changes. The Corporation believes that a 0.5% change in interest rates could be reasonably possible. Its effect would be about $285 ($282 in 2018) on the term deposit reserved for exploration and evaluation, $10,338 ($9,838 in 2018) on debentures and $4,164 ($3,112 in 2018) on the long-term debt.

18- OBJECTIFS ET POLITIQUES EN MATIÈRE DE GESTION DES RISQUES FINANCIERS (suite)

a) Risque de marché (suite)

iv) Risque de change

Au cours de l'exercice, la Société a encouru des frais administratifs en dollars américains de 19 404 $ représentant des honoraires de consultants. Au cours de l'exercice précédent, la Société a encouru des frais administratifs en dollars américains de 135 708 $ représentant des honoraires de consultants, des frais de déplacement et représentation et des frais d'inscription, registrariat et information aux actionnaires pour des montants respectifs de 107 665 $, 3 154 $ et 24 889 $. Au cours de l'exercice précédent, elle a également encouru des honoraires de consultants en dollars australiens de 14 475 $. Par conséquent, certains actifs, passifs et charges sont exposés aux fluctuations des devises. Au 30 avril 2019, la Société a un solde d'encaisse en dollars américains de 4 650 $US. Au 30 avril 2018, la Société n'a aucun montant à l'état de la situation financière provenant de transactions en devises étrangères. La Société considère qu'une fluctuation du taux de change de l'ordre de 5 % est raisonnablement possible. Cela aurait un effet d'environ 970 $ (7 500 $ en 2018) sur la perte nette de l'exercice.

b) Risque de crédit

Le risque de crédit est le risque qu'une partie à un instrument financier manque à l'une de ses obligations et amène de ce fait l'autre partie à subir une perte financière. L'encaisse réservée à la prospection et à l'évaluation et le dépôt à terme réservé à la prospection et à l'évaluation sont les principaux instruments financiers de la Société potentiellement assujettis au risque de crédit. Le risque de crédit sur l'encaisse et sur le dépôt à terme réservés à la prospection et à l'évaluation est limité puisque les parties contractantes sont des institutions financières ayant des cotes de crédit élevées attribuées par des agences de crédit internationales. Par conséquent, la Société ne s'attend pas à ce que les contreparties manquent à leurs obligations. La Société est sujette à une concentration de crédit étant donné que le dépôt à terme réservé à la prospection et à l'évaluation est détenu par une seule institution financière. La valeur comptable de ces instruments financiers représente l'exposition maximale de la Société face au risque de crédit et il n'y a eu aucune variation significative du risque de crédit depuis le dernier exercice.

18- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Market Risk (continued)

iv) Currency Risk

During the year, the Corporation incurred administrative costs in US dollars for $19,404 representing consultant fees. During the previous year, the Corporation incurred administrative costs in US dollars for $135,708 representing consultant fees, travelling and entertainment expenses, registration, listing fees and shareholder's information for respectively $107,665, $3,154 and $24,889. During the previous year, it also incurred consultant fees in AUD dollars for $14,475. Consequently, certain assets, liabilities and expenses are exposed to foreign exchange fluctuation. As at April 30, 2019, the Corporation has a cash balance of US$4,650 in US dollars. As at April 30, 2018, the Corporation has no amount in the statement of financial position arising from transactions in foreign currencies. The Corporation believes that a 5% change in exchange rates is reasonably possible. Its effect would be about $970 ($7,500 in 2018) on the net loss of the year.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Corporation to credit risk mainly consist of cash reserved for exploration and evaluation and term deposit reserved for exploration and evaluation. The credit risk on cash and term deposit reserved for exploration and evaluation is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Therefore, the Corporation does not expect any treasury counterparties to fail in respecting their obligations. The Corporation is subject to concentration of credit risk since the term deposit reserved for exploration and evaluation is held by a single Canadian financial institution. The carrying value of these financial instruments represents the Corporation's maximum exposure to credit risk and there has been no significant change in credit risk since the previous year.

18- OBJECTIFS ET POLITIQUES EN MATIÈRE DE GESTION DES RISQUES FINANCIERS (suite)

c) Risque de liquidités

Le risque de liquidités est le risque qu'une entité éprouve des difficultés à honorer des engagements liés à des passifs financiers. La gestion du risque de liquidités vise à maintenir un montant suffisant d'encaisse et à s'assurer que la Société dispose de sources de financement suffisantes. La Société établit des prévisions budgétaires afin de s'assurer qu'elle dispose des fonds nécessaires pour rencontrer ses obligations. Au 30 avril 2019, les liquidités dont dispose la Société s'élèvent à 65 027 $ et son fonds de roulement est négatif. Elle détient également des placements dans une société publique qui ont une valeur boursière d'environ 164 000 $ qu'elle pourrait vendre advenant la nécessité. En date de l'état de la situation financière, ses engagements statutaires relatifs à des financements accréditifs se chiffrent à environ 78,200 $ et ces dépenses devront être effectuées avant le 31 décembre 2019.

Afin de pouvoir continuer ses opérations, la Société aura à trouver du financement supplémentaire et il n'y a aucune garantie de réussite pour l'avenir. Au cours de l'exercice clos le 30 avril 2019, la société n'a pas réussi à trouver du financement par actions à part la renégociation des débentures échues. Alors, il subsiste actuellement un risque que la Société soit dans l'incapacité à trouver du financement même si la direction est d'avis qu'elle pourra réaliser le financement nécessaire pour faire face à ses engagements futurs. En tenant compte du non-respect de certaines conventions d'actions accréditives et compte tenu de l'effet négatif de ce fait, le risque est élevé que la direction rencontre des difficultés à réunir les sommes nécessaires pour ses projets futurs. Le 22 août 2019, la Société a annoncé une convention de fusion avec une autre société publique. Cet événement important est divulgué à la note 20 des états financiers de la Société.

d) Risque lié au marché des actions

Le risque lié au marché des actions s'entend de l'effet potentiel que peuvent avoir sur le résultat de la Société les variations des cours des titres individuels ou les variations générales du marché. La Société surveille de près les tendances générales sur les marchés des actions et les variations des titres individuels de ses placements et établit les meilleures mesures à prendre dans les circonstances.

La Société détient actuellement des placements dans une société qui est assujettis aux fluctuations de la juste valeur qui découlent des changements dans le secteur minier canadien et les marchés des actions. Les placements en actions sont comptabilisés à la juste valeur selon leur prix à la cote qui s'établit actuellement à 163 820 $ (262 112 $ au 30 avril 2018).

Au 30 avril 2019, si le cours publié de ces titres avait augmenté (diminué) de 30 %, la perte nette et la perte globale et les capitaux propres pour l'exercice auraient augmenté (diminué) de 49 146 $ (78 634 $ en 2018).

18- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has sufficient financing sources. The Corporation establishes budgets to ensure it has the necessary funds to fulfill its obligations. As at April 30, 2019, the Corporation's liquidities are amounting to $65,027 and its working capital is negative. It also holds investments in a public corporation with a market value of approximately $164,000 that it could sell if necessary. At the statement of financial position date, its statutory commitments in relation with flow-through financings are amounting to approximately $78,200 and these expenses must be incurred before December 31, 2019.

In order to continue its operations, the Corporation will have to find additional funds and there is no guarantee for the future. During the year ended April 30, 2019, the Corporation failed to find financing in shares other than the renegotiation of the expired debentures. Then, currently, there remains a risk that the Corporation will be unable to find cash even if the management believes that it will find the necessary cash to meet its future commitments. Considering the non-respect of some flow-through shares agreements and in view of the negative impact of this fact, the risk is high that management will have difficulties to obtain the financial resources required for its future projects. On August 22, 2019, the Corporation announced an amalgamation agreement with another public company. This material event is disclosed in Note 20 of the Corporation's financial statements.

d) Equity Market Risk

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in a company that is subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets. Investments are recorded at fair value using quoted market price which is currently $163,820 ($262,112 as at April 2018).

As at April 30, 2019, had the published price of these securities increased (decreased) by 30%, net loss and comprehensive loss and shareholders' equity for the year would have increased (decreased) by $49,146 ($78,634 in 2018).

19- POLITIQUES ET PROCÉDURES DE GESTION DU CAPITAL

Au 30 avril 2019, le capital de la Société est constitué des capitaux propres qui se chiffrent à 26 131 768 $. L'objectif de gestion du capital de la Société est de s'assurer qu'elle dispose d'un capital suffisant pour rencontrer ses obligations pour son plan de prospection et d'évaluation et ainsi assurer la croissance de ses activités. Elle a également pour objectif de s'assurer qu'elle dispose de suffisamment de liquidités pour financer ses frais de prospection et d'évaluation, ses activités d'investissement et ses besoins en fonds de roulement. Il n'y a pas eu de changement significatif concernant l'approche de politique de gestion du capital au cours de l'exercice clos le 30 avril 2019. La Société n'a pas de politique de dividendes.

La Société est soumise à des exigences réglementaires relativement à l'utilisation de fonds levés par financement accréditif, ceux-ci devant obligatoirement être dépensés en frais de prospection et d'évaluation admissibles. Actuellement, la Société n'a pas respecté ses exigences réglementaires en relation avec certains financements accréditifs passés qui devaient être dépensés avant le 31 décembre 2014, avant le 31 décembre 2013 et avant le 31 décembre 2018 (voir passifs éventuels à la note 16). En outre, pour respecter ses obligations statutaires futures, la Société devra dépenser environ 78,200 $ en travaux de prospection et d'évaluation avant le 31 décembre 2019.

19- POLICIES AND PROCESSES FOR MANAGING CAPITAL

As at April 30, 2019, the capital of the Corporation consists of equity amounting to $26,131,768. The Corporation's capital management objective is to have sufficient capital to be able to meet its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient cash to finance the exploration and evaluation expenses, the investing activities and the working capital requirements. There were no significant changes in the Corporation's approach to capital management during the year ended April 30, 2019. The Corporation has no dividend policy.

The Corporation is subject to regulatory requirements related to the use of funds obtained by flow-through shares financing. These funds have to be spent in eligible exploration and evaluation expenses. At present, the Corporation did not respect its regulatory requirements in relation with certain past flow-through shares agreements that had to be incurred before December 31, 2014, before December 31, 2013 and before December 31, 2018. (See Contingent Liabilities in Note 16). In addition, to fulfill its future statutory obligations, the Corporation has to spend approximately $78,200 in exploration and evaluation expenses by December 31, 2019.

20- ÉVÉNEMENTS SUBSÉQUENTS

En juillet 2019, la Société a renouvelé les débentures convertibles au montant de 767 500 $ qui étaient venues à échéance le 3 et le 10 avril 2019. Les intérêts exigibles et non payés ont été ajoutés au montant en capital des débentures et une nouvelle débenture au montant de 50 000 $ a été émise au même moment. Le montant total des débentures convertibles émises s'élève à 945 212 $. Les débentures sont garanties par des actifs de prospection et d'évaluation en lien avec la propriété Timmins Porcupine West, elles portent intérêt au taux de 8 %, elles sont convertibles en actions ordinaires au prix de 0,05 $ l'action et deviendront échues après un an. Pour chaque dollar de débenture, la Société a émis 10 bons de souscription pour un total de 9 452 120 bons de souscription. Chaque bon de souscription permet de souscrire une action ordinaire au prix de 0,10 $ l'action pour une période de 1 an, soit jusqu'au 3 juillet 2020.

Le 22 août 2019, la Société a annoncé qu'elle avait signé une convention de fusion (la « convention ») avec Pure Nickel Inc. (« Pure Nickel ») pour regrouper les deux sociétés sur la base de 54/46 (Explor /Pure Nickel) (« l'opération »).

20- SUBSEQUENT EVENTS

In July 2019, the Corporation renewed the $767,500 convertible debentures that matured on April 3 and April 10, 2019. Interest due and unpaid was added to the principal amount of the debentures and a new debenture at $50,000 was issued at the same time. The total amount of convertible debentures issued is $945,212. The debentures are secured by exploration and evaluation assets in connection with the Timmins Porcupine West property, they bear interest at the rate of 8%, they are convertible into common shares at a price of $0.05 per share and will expire after one year. For each dollar debenture, the Corporation issued 10 warrants for a total of 9,452,120 warrants. Each warrant entitles the holder to subscribe one common share at a price of $0.10 per share for a period of one year, up to July 3, 2020.

On August 22, 2019, the Corporation announced that it had signed an Amalgamation Agreement (the "Agreement") with Pure Nickel Inc. ("Pure Nickel") to merge the companies on a 54/46 (Explor/Pure Nickel) basis (the "Transaction").

20- ÉVÉNEMENTS SUBSÉQUENTS (suite)

En lien avec l'opération, Pure Nickel émettra environ 95 198 612 actions ordinaires de Pure Nickel en échange de toutes les actions ordinaires émises et en circulation d'Explor. Par conséquent, après la réalisation de l'opération, la société issue du regroupement aura environ 177 891 951 actions en circulation dont les actionnaires d'Explor détiendront le contrôle du vote. La réalisation de l'opération est assujettie à l'obtention de toutes les approbations requises, tant des actionnaires que des autorités de réglementation.

En vertu des termes de la convention, Pure Nickel a accepté d'effectuer une souscription de 10 000 000 unités d'Explor à un prix de 0,05 $ l'unité, pour un montant total de 500 000 $. Chaque unité se composera d'une action ordinaire et d'un-demi (½) bon de souscription. Chaque bon de souscription complet donnera droit de souscrire à une action ordinaire d'Explor à un prix de 0,10 $ l'action pour une période de vingt-quatre mois. Les titres qui seront émis à la clôture de ce placement privé seront assujettis à une période de détention de quatre mois et un jour à partir de la clôture. Explor a l'intention d'utiliser le produit du placement privé pour réaliser l'opération et pour les besoins généraux d'entreprise. Ce placement est assujetti à l'approbation de la Bourse de croissance TSX.

M. R. David Russell, l'actuel chef de la direction de Pure Nickel continuera en tant que chef de la direction et président de la nouvelle société et M. Christian Dupont d'Explor, sera vice-président et chef des opérations.

20- SUBSEQUENT EVENTS (continued)

In connection with the Transaction, Pure Nickel will issue approximately 95,198,612 common shares of Pure Nickel in exchange for all of the issued and outstanding common shares of Explor. As a result, upon completion of the Transaction, the combined company will have approximately 177,891,951 shares outstanding with Explor shareholders holding voting control. The completion of the Transaction is subject to all necessary shareholder and regulatory approvals.

Under the terms of the Agreement, Pure Nickel has agreed to subscribe for 10,000,000 units of Explor at a price of $0.05 per unit, representing a total amount of $500,000. Each unit of Explor is comprised of one common share and one-half of one common share purchase warrant. Each whole purchase warrant will be exercisable into one common share at a price of $0.10 per share for a period of 24 months. The securities that will be issued at the closing of this private placement will be subject to a hold period of four months and one day from closing. Explor intends to use the funds from the private placement to complete the Transaction and for general corporate purposes. The private placement is subject to TSX Venture Exchange approval.

Mr. R. David Russell, current Chief Executive Officer of Pure Nickel, will continue as the Chief Executive Officer and President of the new company and Mr. Christian Dupont, of Explor, will become the Vice President and Chief Operating Officer.

(Société d'exploration)

ÉTATS FINANCIERS RÉSUMÉS INTERMÉDIAIRES

PÉRIODE DE TROIS MOIS CLOSE LE 31 JUILLET 2019

(non audité et peut faire l'objet d'ajustements à la clôture d'exercice)

(Exploration Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE-MONTH PERIOD ENDED JULY 31, 2019

(unaudited and can be the object of adjustments in the close of exercise)

ÉTATS FINANCIERS RÉSUMÉS INTERMÉDIAIRES	CONDENSED INTERIM FINANCIAL STATEMENTS
États résumés intermédiaires de la situation financière	Condensed Interim Statements of Financial Position
États résumés intermédiaires de la perte nette	Condensed Interim Statements of Net Loss
États résumés intermédiaires des variations des capitaux propres	Condensed Interim Statements of Change in Equity
Tableaux résumés intermédiaires des flux de trésorerie	Condensed Interim Statements of Cash Flows
Notes complémentaires	Notes

ÉTATS RÉSUMÉS INTERMÉDIAIRES DE LA SITUATION FINANCIÈRE
(en dollars canadiens – Non audité)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(in Canadian dollars - Unaudited)

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
	$	$	
ACTIF			**ASSETS**
Actif courant			**Current assets**
Placements (note 5)	163 820	163 820	Investments (Note 5)
Autres débiteurs	2 185	2 185	Other receivables
Frais payés d'avance	12 112	10 136	Prepaid expenses
Taxes à recevoir	4 181	9 039	Taxes receivable
	182 298	185 180	
Actif non courant			**Non-current assets**
Encaisse réservée à la prospection et à l'évaluation	10 926	7 977	Cash reserved for exploration and evaluation
Dépôt à terme réservé à la prospection et à l'évaluation, 1,3 % (1 % en 2018)	57 192	57 050	Term deposit reserved for exploration and evaluation, 1.3% (1% in 2018)
Avances sur travaux de prospection et d'évaluation	1 882	2 386	Advances on exploration and evaluation expenses
Immobilisations corporelles (note 6)	37 022	39 802	Property, plant and equipment (Note 6)
Actifs de prospection et d'évaluation (note 7)	29 804 945	29 801 008	Exploration and evaluation assets (Note 7)
	29 911 967	29 908 223	
Total de l'actif	**30 094 265**	**30 093 403**	**Total assets**
PASSIF			**LIABILITIES**
Passif courant			**Current liabilities**
Créditeurs et charges à payer	520 507	636 037	Accounts payable and accrued liabilities
Provision pour pénalités et impôts de la Partie XII.6	349 060	349 060	Accrued penalties and Part XII.6 taxes
Dû à des administrateurs, sans intérêt	39 872	30 872	Due to directors, without interest
Dû à des sociétés liées, sans intérêt (note 15)	160 538	59 169	Due to related companies, without interest (Note 15)
Composante dette des débentures convertibles (note 9)	2 170 173	2 033 327	Debt component of convertible debentures (Note 9)
Portion court terme de la dette à long terme (note 10)	832 714	832 714	Current portion of long-term debt (Note 10)
	4 072 864	3 941 179	
Passif non courant			**Non-current liabilities**
Autre passif (note 11)	19 804	20 456	Other liability (Note 11)
Total du passif	4 092 668	3 961 635	**Total liabilities**
CAPITAUX PROPRES			**EQUITY**
Capital-social (note 12)	56 786 742	56 786 742	Capital stock (Note 12)
Composante capitaux propres des débentures convertibles (note 9)	78 750	127 280	Equity component of convertible debentures (Note 9)
Surplus d'apport	14 660 070	14 578 760	Contributed surplus
Bons de souscription	273 268	245 736	Warrants
Déficit	(45 797 233)	(45 606 750)	Deficit
Total des capitaux propres	26 001 597	26 131 768	Total equity
Total du passif et des capitaux propres	**30 094 265**	**30 093 403**	**Total liabilities and equity**

PASSIFS ÉVENTUELS ET ENGAGEMENTS (notes 16 et 17)
POUR LE CONSEIL D'ADMINISTRATION

CONTINGENT LIABILITIES AND COMMITMENTS (Notes 16 and 17)
ON BEHALF OF THE BOARD,

(signé / signed) Christian Dupont, Administrateur – Director
(signé / signed) Rodrigue Tremblay, Chef des finances – Chief Financial Officer

ÉTATS RÉSUMÉS INTERMÉDIAIRES DE LA PERTE NETTE / CONDENSED INTERIM STATEMENTS OF NET LOSS

(En dollars canadiens – Non audité) / (In Canadian dollars - Unaudited)

Période de trois mois close le 31 juillet / **Three-Month Period Ended July 31**

	2019	2018	
CHARGES			**EXPENSES**
Taxes et permis	(1 644)	8 813	Taxes and permits
Frais de location	5 557	5 304	Rent expenses
Frais de bureau	1 720	9 475	Office expenses
Frais de déplacement et représentation	6 116	38 211	Travelling and entertainment expenses
Assurances	5 273	3 679	Insurances
Inscription, registrariat et information aux actionnaires	8 364	10 690	Registration, listing fees and shareholders' information
Honoraires de consultants	37 250	80 250	Consultant fees
Honoraires professionnels	76 738	90 741	Professional fees
Amortissement des immobilisations corporelles	2 780	2 780	Amortization of property, plant and equipment
Intérêts et frais bancaires	1 451	1 115	Interest and bank expenses
Intérêts sur les débentures	47 672	92 232	Interest on debentures
Coûts de transaction des débentures constatés	-	5 151	Transaction costs of debentures recognized
	191 277	348 441	
AUTRES			**OTHER**
Variation de la juste valeur des placements	-	(65 528)	Changes in fair value of investments
Revenus	(142)	(352)	Revenues
	(142)	(65 880)	
PERTE AVANT IMPÔTS	191 135	282 561	**LOSS BEFORE INCOME TAXES**
Impôts sur le résultat et impôts différés	(652)	(3 706)	Income taxes and deferred taxes
PERTE NETTE ET PERTE GLOBALE	190 483	278 855	**NET LOSS AND COMPREHENSIVE LOSS**
PERTE NETTE PAR ACTION DE BASE ET DILUÉE	0,00	0,00	**BASIC AND DILUTED NET LOSS PER SHARE**
NOMBRE MOYEN PONDÉRÉ D'ACTIONS EN CIRCULATION	190 397 224	190 397 224	**WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING**

Les notes aux états financiers font partie intégrante des états financiers.

The accompanying notes are an integral part of these financial statements.

ÉTATS INTERMÉDIAIRES DES VARIATIONS DES CAPITAUX PROPRES
(en dollars canadiens – Non audité**)**

INTERIM STATEMENTS OF CHANGES IN EQUITY
(in Canadian dollars - Unaudited)

	Capital-social / Capital Stock	Composantes capitaux propres des débentures convertibles / Equity Component of Convertible Debentures	Bons de souscription / Warrants	Surplus d'apport/ Contributed Surplus	Déficit / Deficit	Total des capitaux propres / Total Equity	
	$	$	$	$	$	$	
Solde au 1er mai 2018	**56 786 742**	**172 210**	**900 458**	**13 761 968**	**(38 565 472)**	**33 055 906**	**Balance as at May 1st, 2018**
Perte nette la période	-	-	-	-	(278 855)	(278 855)	Net loss for the period
Bons de souscription expirés	-	-	(257 592)	257 592	-	-	Warrants expired
Solde au 31 juillet 2018	**56 786 742**	**172 210**	**642 866**	**14 019 560**	**(38 844 327)**	**32 777 051**	**Balance as at July 31, 2018**
Solde au 1er mai 2019	**56 786 742**	**127 280**	**245 736**	**14 578 760**	**(45 606 750)**	**26 131 768**	**Balance as at May 1st, 2019**
Perte nette de la période	-	-	-	-	(190 483)	(190 483)	Net loss for the period
Composante capitaux propres des débentures convertibles et bons de souscription	-	(48 530)	27 532	81 310	-	60 312	Equity component of convertible debentures and warrants
	-	-	-	-	-	-	
Solde au 31 juillet 2019	**56 786 742**	**78 750**	**273 268**	**14 660 070**	**(45 797 233)**	**26 001 597**	**Balance as at July 31, 2019**

Les notes aux états financiers font partie intégrante des états financiers.

The accompanying notes are an integral part of these financial statements.

TABLEAUX RÉSUMÉS INTERMÉDIAIRES DES FLUX DE TRÉSORERIE
(en dollars canadiens – Non audité)

CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(in Canadian dollars - Unaudited)

Pour la période de trois mois close le 31 juillet

For the Three-Month Period Ended July 31

	2019	2018	
	$	$	
ACTIVITÉS OPÉRATIONNELLES			**OPERATING ACTIVITIES**
Perte nette	(190 483)	(278 855)	Net loss
Éléments n'impliquant aucun mouvement de trésorerie :			Items not involving cash:
Amortissement des immobilisations corporelles	2 780	2 780	Amortization of property, plant and equipment
Intérêts théoriques sur les débentures	19 446	55 583	Theoretical interest on debentures
Coûts de transaction des débentures constatés	-	5 151	Transaction costs of debentures recognized
Variation de la juste valeur des placements	-	(65 528)	Changes in fair value of investments
Impôts sur le résultat et impôts différés	(652)	(3 706)	Income taxes and deferred taxes
	(168 909)	(284 575)	
Variation nette des éléments hors caisse du fonds de roulement (note 14)	15 064	270 108	Net change in non-cash operating working capital items (Note 14)
	(153 845)	(14 467)	
ACTIVITÉS D'INVESTISSEMENT			**INVESTING ACTIVITIES**
Encaisse réservée à la prospection et à l'évaluation	(2 949)	109 629	Cash reserved for exploration and evaluation
Dépôt à terme réservé à la prospection et à l'évaluation	(142)	(162)	Term deposit reserved for exploration and evaluation
Avances à une société liée	-	(19 191)	Advances to a related company
Avances sur travaux de prospection et d'évaluation	504	7 521	Advances on exploration and evaluation expenses
Actifs de prospection et d'évaluation	(3 937)	(61 954)	Exploration and evaluation assets
	(6 524)	35 843	
ACTIVITÉS DE FINANCEMENT			**FINANCING ACTIVITIES**
Dû à des administrateurs	9 000	(3 449)	Due to directors
Dû à une société liée	101 369	(735)	Due to a related company
Émission de débentures convertibles	50 000	-	Convertible debentures issuance
Remboursement de la dette à long terme	-	(17 192)	Long-term debt repaid
	160 369	(21 376)	
AUGMENTATION DE LA TRÉSORERIE ET ÉQUIVALENTS DE TRÉSORERIE	-	-	**CASH AND CASH EQUIVALENTS INCREASE**
TRÉSORERIE ET ÉQUIVALENTS DE TRÉSORERIE AU DÉBUT	-	-	**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**
TRÉSORERIE ET ÉQUIVALENTS DE TRÉSORERIE, À LA FIN	-	-	**CASH AND CASH EQUIVALENTS, END OF PERIOD**

Les notes aux états financiers font partie intégrante des états financiers.

The accompanying notes are an integral part of these financial statements.

1- STATUTS CONSTITUTIFS, NATURE DES ACTIVITÉS ET CONTINUITÉ DE L'EXPLOITATION

Ressources Explor inc. (la « Société » ou « Explor »), continuée en vertu de la Loi sur les sociétés par actions (Alberta), se spécialise dans l'acquisition et dans l'exploration de propriétés minières au Canada. Les symboles boursiers de la Société sont E1H1 à la Bourse de Francfort et Berlin et EXS à la Bourse de croissance TSX. Le siège social de la Société est situé au 15 Gamble Est, bureau 204, Rouyn-Noranda (Québec), Canada.

La Société n'a pas encore déterminé si les propriétés minières renferment des réserves de minerai pouvant être exploitées économiquement. L'exploration et la mise en valeur de gisements de minéraux impliquent d'importants risques financiers. Le succès de la Société dépendra d'un certain nombre de facteurs, entre autres, les risques liés à l'exploration et à l'extraction, les questions relatives à la réglementation ainsi que les règlements en matière d'environnement et autres règlements.

Pour la période de trois mois close le 31 juillet 2019, la Société a enregistré une perte nette de 190 483 $ (7 041 278 $ au 30 avril 2019). De plus, elle enregistre des pertes importantes année après année et a accumulé un déficit de 45 797 233 $ au 31 juillet 2019. La Société étant au stade de l'exploration, elle n'a donc pas de revenu provenant de son exploitation. Par conséquent, la Société dépend de sa capacité à obtenir du financement afin de s'acquitter de ses engagements et obligations dans le cours normal de ses activités. La direction de la Société cherche ardemment à obtenir du financement additionnel sous forme d'émission d'actions, de débentures et d'exercice de bons de souscription et d'options d'achat d'actions. De plus, elle travaille continuellement à tenter de conclure des ententes d'options sur ses propriétés minières, à conclure des ententes de coparticipation sur celles-ci ou disposer de certains actifs. Elle devra réussir afin de poursuivre ses activités mais, il n'y a aucune garantie de réussite pour l'avenir.

Au 30 avril 2019, la Société a un montant d'environ 349 000 $ dans son état de la situation financière à titre de provision pour pénalités et impôts de la Partie XII.6 qui n'a pas encore fait l'objet d'une cotisation par le gouvernement provincial. Elle a également des impôts de la Partie XII.6 à payer au provincial d'un montant d'environ 90 000 $ présenté dans les créditeurs et charges à payer. Par ailleurs, en relation avec le non-respect de conventions d'actions accréditives, la Société a un montant d'environ 830 000 $ payable à l'ARC présenté dans la portion court terme de la dette à long terme. Ce non-respect réglementaire amène un risque fiscal important pour les investisseurs concernés et a un impact financier important pour la Société.

Suite aux conventions d'actions accréditives réalisées, au 31 juillet 2019, la Société doit dépenser en frais de prospection et d'évaluation un montant s'élevant à environ 74 263 $ (78 200 $ au 30 avril 2019). Par conséquent, à cette date, la Société ne possède pas les liquidités nécessaires pour respecter ses engagements financiers qui devront être honorés avant le 31 décembre 2019. Ceci augmente le risque que les fonds ne soient pas dépensés en frais de prospection et d'évaluation.

1- ARTICLES OF INCORPORATION, NATURE OF ACTIVITIES AND GOING CONCERN

Explor Resources Inc. (the "Corporation" or "Explor"), continued under the Business Corporations Act (Alberta), is engaged in the acquisition and exploration of mining properties in Canada. The trading symbol of the Corporation is E1H1 on the Frankfurt and Berlin Stock Exchanges and EXS on the TSX Venture Exchange. The address of the Corporation's registered office is located at 15 Gamble East, Suite 204, Rouyn-Noranda (Quebec), Canada.

The Corporation has not yet determined whether the mining properties have economically recoverable ore reserves. The exploration and development of mineral deposits involves significant financial risks. The success of the Corporation will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

For the three-month period ended July 31, 2019, the Corporation recorded a net loss of $190,483 ($7,041,278 as at April 30, 2019). In addition, it recorded significant losses year after year and has accumulated a deficit of $45,797,233 as at July 31, 2019. The Corporation is in exploration stage and, as such, no revenue has been generated yet from its operating activities. Accordingly, the Corporation depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of business. The Corporation's management is actively seeking additional forms of financing through the issuance of shares, of debentures and the exercise of warrants and share purchase options. In addition, it continually strives to enter into option agreements on its mining properties, enter into joint venture agreements or dispose of certain assets. It will have to succeed in order to continue its operations but, there is no guarantee of success for the future.

As at April 30, 2019, the Corporation has an amount of approximately $349,000 as accrued penalties and part XII.6 taxes that has not been yet assessed by the government of Quebec. It also has provincial Part XII.6 taxes payable in the amount of approximately $90,000 presented in accounts payable and accrued liabilities. Furthermore, in relation with the non-respect of flow-through share agreements, the Corporation has an amount of approximately $830,000 payable to the CRA in the current portion of long-term debt. That non-regulatory compliance brings to a significant fiscal risk for the concerned investors and has an important financial impact for the Corporation.

Following flow-through shares agreements, as at July 31, 2019, the Corporation has to incur exploration and evaluation expenses amounting to approximately $74,263 ($78,200 as at April 30, 2019). Therefore, at that date, the Corporation does not have necessary liquidities in order to fulfill its financial commitments that have to be met by December 31, 2019. This increases the risk that funds might not be spent in exploration and evaluation expenses,

1- STATUTS CONSTITUTIFS, NATURE DES ACTIVITÉS ET CONTINUITÉ DE L'EXPLOITATION (suite)

Actuellement, la direction de la Société est optimiste qu'elle pourra réunir suffisamment de liquidités pour prendre en charge ses passifs financiers actuels provenant de ses engagements. Si la direction ne parvenait pas à obtenir de nouveaux fonds, la Société pourrait alors être dans l'incapacité de poursuivre ses activités, et les montants réalisés à titre d'actifs pourraient être moins élevés que les montants inscrits dans les présents états financiers.

Bien que la direction ait pris des mesures pour vérifier le droit de propriété concernant les propriétés minières dans lesquelles la Société détient une participation conformément aux normes de l'industrie visant la phase courante d'exploration de ces propriétés, ces procédures ne garantissent pas le titre de propriété à la Société. Le titre de propriété peut être assujetti à des accords antérieurs non reconnus et ne pas être conforme aux exigences en matière de réglementation.

Les états financiers intermédiaires ci-joints ont été établis selon l'hypothèse de la continuité de l'exploitation, où les actifs sont réalisés et les passifs acquittés dans le cours normal des activités et ne tiennent pas compte des ajustements qui devraient être effectués à la valeur comptable des actifs et des passifs, aux montants présentés au titre des produits et des charges et au classement des postes du bilan si l'hypothèse de la continuité de l'exploitation n'était pas fondée. Ces ajustements pourraient être importants.

2- MODE DE PRÉSENTATION ET DÉCLARATION DE CONFORMITÉ

Les présents états financiers résumés intermédiaires non audités de Ressources Explor inc. ont été préparés par la direction conformément aux Normes internationales d'information financière (« IFRS ») et conformément à IAS 34, *Information financière intermédiaire.*

Les états financiers résumés intermédiaires ne comportent pas toutes les informations et les notes requises aux fins des états financiers annuels audités. Les méthodes comptables utilisées sont les mêmes que celles employées aux fins des états financiers audités pour l'exercice clos de 30 avril 2019, préparés conformément aux IFRS, à l'exception des nouvelles normes comptables décrites à la note 3. Par conséquent, ces états financiers résumés intermédiaires non audités et les notes y afférentes devraient être lus en parallèle avec les états financiers audités pour l'exercice clos le 30 avril 2019.

Les présents états financiers résumés intermédiaires ont été approuvés par le conseil d'administration le 6 novembre 2019.

1- ARTICLES OF INCORPORATION, NATURE OF ACTIVITIES AND GOING CONCERN (continued)

At this time, the Corporation's management is optimistic to raise sufficient funds to meet its actual financial liabilities from its commitments. If the management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

Although management has taken measures to verify titles of the mining properties in which the Corporation has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation's property title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements.

The accompanying interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations and do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and balance sheet classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

2- BASIS OF PRESENTATION AND COMPLIANCE DECLARATION

These unaudited interim condensed financial statements of Explor Resources Inc. were prepared by management in accordance with the International Financial Reporting Standards ("IFRS") and in accordance with IAS 34, *Interim Financial Reporting*.

The condensed interim financial statements do not include all the information and notes required for the purpose of audited annual financial statements. The accountings methods used are the same that those used for the purpose of audited annual financial statements for the year ended April 30, 2019 except for the new accounting standards described in Note 3. Consequently, these unaudited condensed interim financial statements and the notes thereto should be read in conjunction with the audited annual financial statements for the year ended April 30, 2019.

The present condensed interim financial statements were approved by the Board of Directors on November 6, 2019.

3- APPLICATION DES IFRS NOUVELLES ET RÉVISÉES

IFRS nouvelles et révisées, publiées mais non encore entrées en vigueur

À la date d'autorisation de ces états financiers, de nouvelles normes, modifications et interprétations de normes existantes ont été publiées, mais ne sont pas encore en vigueur, et la Société ne les a pas adoptées de façon anticipée.

La direction prévoit que l'ensemble des prises de position sera adopté dans les méthodes comptables de la Société au cours de la première période débutant après la date d'entrée en vigueur de chaque prise de position. L'information sur les nouvelles normes et interprétations et les nouvelles modifications, qui sont susceptibles d'être pertinentes pour les états financiers de la Société, est fournie ci-dessous. Certaines autres nouvelles normes et interprétations ont été publiées, mais on ne s'attend pas à ce qu'elles aient une incidence importante sur les états financiers de la Société.

IFRS nouvelles et révisées, adoptés au cours de l'exercice

IFRS 16, Contrats de location

En janvier 2016, l'IASB a publié IFRS 16 laquelle remplace IAS 17, Contrats de location. IFRS 16 supprime le classement à titre de location simple et impose aux preneurs de constater tous les contrats de location à l'état de la situation financière en comptabilisant un droit d'utilisation et une obligation locative. Une exemption est permise pour les contrats de location à court terme et pour les contrats de location pour lesquels l'actif sous-jacent est de faible valeur. IFRS 16 modifie la définition du contrat de location, établit les exigences de comptabilisation de l'actif et du passif, modifie la comptabilisation des accords de cession-bail et présente des nouvelles obligations d'information. L'approche d'IAS 17 pour la comptabilisation des contrats de location par le bailleur est conservée. IFRS 16 s'applique aux exercices ouverts à compter du 1er janvier 2019 et l'adoption anticipée est permise dans certaines circonstances. La Société a déterminé qu'aucune incidence ne découle de l'adoption de cette norme sur ses états financiers.

IAS 19, Avantages du personnel

En février 2018, l'IASB a publié les modifications à IAS 19, Avantages du personnel, visant à intégrer les modifications à la norme suite à la modification, la réduction ou la liquidation d'un régime. Les modifications précisent le fait que l'entité qui réévalue le passif net (l'actif net) au titre des prestations définies par suite de la modification, la réduction ou la liquidation d'un régime doit utiliser les hypothèses mises à jour ayant servi à cette réévaluation pour calculer le coût des services rendus et les intérêts nets pour la portion restante de l'exercice après la modification. Elles précisent aussi l'incidence de la modification, la réduction ou la liquidation d'un régime sur les dispositions relatives au plafond de l'actif. Cette norme s'applique aux exercices ouverts à compter du 1er janvier 2019, l'adoption anticipée étant permise. La Société a déterminé qu'aucune incidence ne découle de l'adoption de cette norme sur ses états financiers.

3- APPLICATION OF NEW AND REVISED IFRS

New and revised IFRS in issue but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Corporation.

Management anticipates that all of the pronouncements will be adopted in the Corporation's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Corporation's financial statements.

New and Revised IFRS, adopted during the year ended

IFRS 16, Leases

In January 2016, the IASB published IFRS 16 which replaces IAS 17, Leases. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statements of financial position for all leases with exemptions permitted for short term leases and leases of low value assets. IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and the liability, changes the accounting for sale and leaseback arrangements and introduces new disclosure requirements. IAS 17 approach to lessor accounting is largely retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1st, 2019 with early application permitted in certain circumstances. The Corporation has determined that no impact results from the adoption of this standard on its financial statements.

IAS 19, Employee Benefits

In February 2018, IASB published changes to IAS 19, Employee benefits, aiming to integrate modifications to the standard related to a plan amendment, curtailment or settlement. Changes give precisions on the fact that entity who remeasures net liabilities (net asset) related to the benefits payments defined further to a plan amendment, curtailment or settlement must use updated assumptions that were used to measure the past service cost and net interests for the remainder of the annual reporting period after the changes. They also give precisions on impact of a plan amendment, curtailment or settlement related to the effect of the asset ceiling. This standard is effective on or after January 1st, 2019 with early application permitted. The Corporation has determined that no impact results from the adoption of this standard on its financial statements.

(in Canadian dollars - unaudited)

4- PRINCIPALES ESTIMATIONS COMPTABLES, ASSOMPTIONS ET JUGEMENTS

Pour préparer des états financiers résumés intermédiaires, la direction de la Société doit faire des estimations et poser des hypothèses qui touchent l'application des méthodes et les montants présentés des actifs et des passifs ainsi que des produits et des charges. Les estimations et les hypothèses connexes sont fondées sur des données empiriques et divers autres facteurs qui sont estimés raisonnables dans les circonstances, et dont les résultats constituent la base des jugements portés sur les valeurs comptables des actifs et des passifs qui ne sont pas facilement évidents à partir d'autres sources. Les résultats réels pourraient différer de ces estimations. Les principales estimations comptables, assomptions et jugements sont les mêmes que ceux des plus récents états financiers annuels.

4- MAIN ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

To prepare condensed interim financial statements, the management of the Corporation has to make estimates and make hypothesis pertaining to the application of the methods and the amounts presented in the assets and liabilities as well as in the revenue and expenses. The estimates and the related hypothesis are based on empirical evidence and other different factors that are believed reasonable under the circumstances and for which results constitute the basis of judgments made on the accounting values of the assets and liabilities that are not easily obvious from other sources. The real results could differ from these estimates. The main accounting estimates, assumptions and judgments are the same as those in the most recent annual financial statements.

5- PLACEMENTS

5- INVESTMENTS

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
	$	$	
6 552 807 actions ordinaires d'une société publique d'exploration minière liée, à la juste valeur	163 820	163 820	6,552,807 common shares of a related public mining exploration corporation, at fair value

(in Canadian dollars - unaudited)

6- IMMOBILISATIONS CORPORELLES / PROPERTY, PLANT AND EQUIPMENT

	Améliorations locatives / Leasehold Improvements	Équipement d'exploration / Exploration Equipment	Mobilier de bureau / Office Equipment	Matériel informatique / Computer Equipment	Total
	$	$	$	$	$
Coût / Cost					
Solde au 30 avril 2018 et au 31 juillet 2018/ Balance as at April 30, 2018 and July 31, 2018	6 876	93 584	950	35 271	136 681
Disposition / Disposal	(6 876)	-	-	-	(6 876)
Solde au 30 avril 2019 et au 31 juillet 2019/ Balance as at April 30, 2019 and July 31, 2019	-	93 584	950	35 271	129 805
Cumul des amortissements / Accumulated Amortization					
Solde au 30 avril 2018 / Balance as at April 30, 2018	6 876	45 446	835	32 602	85 759
Amortissement / Amortization	-	9 628	24	1468	11 120
Disposition / Disposal	(6 876)	-	-	-	(6 876)
Solde au 30 avril 2019 / Balance as at April 30, 2019	-	55 074	859	34 070	90 003
Amortissement / Amortization	-	2 407	6	367	2 780
Solde au 31 juillet 2019 / Balance as at July 31, 2019	-	57 481	865	34 437	92 783
Valeur nette comptable / Net Book Value					
Solde au 30 avril 2019 / Balance as at April 30, 2019	-	38 510	91	1 201	39 802
Solde au 31 juillet 2019 / Balance as at July 31, 2019	-	36 103	85	834	37 022

(in Canadian dollars - unaudited)

7- ACTIFS DE PROSPECTION ET D'ÉVALUATION

7- EXPLORATION AND EVALUATION ASSETS

	31 juillet 2019 July 31, 2019 $	30 avril 2019 April 30, 2019 $	
Propriétés minières	3 813 364	3 813 364	Mining properties
Frais de prospection et d'évaluation	25 991 581	25 987 644	Exploration and evaluation expenses
	29 804 945	29 801 008	

Propriétés minières/ Mining Properties	Canton/ Township	Royautés/ Royalties	Solde au 1er mai 2018 Balance as at May 1st, 2018	Dépréciation Impairment	Solde au 30 avril 2019 Balance as at April 30, 2019	Augmentation Addition	Solde au 31 juillet 2019/ Balance as at July 31, 2019
			$	$	$	$	$
Ontario							
Eastford Lake (100 %)	Kerr, Warden, Milligan	2 %	94 500	(94 499)	1	-	1
Carnegie (100 %)	Carnegie	2 %	227 900	(227 899)	1	-	1
Golden Harker (100 %)	Harker	2 %	1	-	1	-	1
Kidd Township (100 %)	Kidd, Wark, Carnegie	2 % 1 %	970 106	-	970 106	-	970 106
PG-101 (50 %)	Holloway, Marriott	2 %	131 000	(130 999)	1	-	1
Ogden (100 %)	Ogden	2 %	479 239	(479 238)	1	-	1
Timmins Porcupine West (100 %)	Bristol, Ogden	2 % 3 %	2 639 500	-	2 639 500	-	2 639 500
Montrose (100 %)	Montrose et Midlothian	2% 1%	62 000	(61 999)	1	-	1
Hoyle (100 %)	Porcupine		121 000	(120 999)	1	-	1
Québec / Quebec							
East Bay (100 %)	Duparquet Hébécourt Destor, Dufresnoy	1 % 2 %	296 846	(296 845)	1	-	1
Nouveau-Brunswick New Brunswick							
Chester (100 %)	Northumberland	1 % 2 %	203 750	-	203 750	-	203 750
			5 225 842	(1 412 478)	3 813 364	-	3 813 364

(in Canadian dollars - unaudited)

7- ACTIFS DE PROSPECTION ET D'ÉVALUATION (suite)

7- EXPLORATION AND EVALUATION ASSETS (continued)

Frais de prospection et d'évaluation / Exploration and Evaluation Expenses

Prospection et évaluation/ Exploration and evaluation	Solde au 1er mai 2018 Balance as at May 1st, 2018	Augmentation Addition	Dépréciation Impairment	Solde au 30 avril 2019 Balance as at April 30, 2019	Augmentation Addition	Solde au 31 juillet 2019 Balance as at July 31, 2019
	$	$	$	$	$	$
Ontario						
Eastford Lake	1 368 355	-	(1 368 355)	-	-	-
Carnegie	773 134	21 382	(794 516)	-	-	-
Kidd Township	3 244 647	3 682	-	3 248 329	1 307	3 249 636
PG-101	210 498	3 430	(213 928)	-	-	-
Montrose	127 148	3 430	(130 578)	-	-	-
Ogden	455 156	10 080	(465 236)	-	-	-
Hoyle	1 859	2 844	(4 703)	-	-	-
Timmins Porcupine West	22 581 024	62 041	-	22 643 065	2 630	22 645 695
Québec / Québec						
East Bay	1 432 384	11 838	(1 444 222)	-	-	-
Nouveau-Brunswick / New Brunswick						
Moose Brooke	7 289	-	(7 289)	-	-	-
Chester	230 023	-	(133 773)	96 250	-	96 250
	30 431 517	118 727	(4 562 600)	25 987 644	3 937	25 991 581

(in Canadian dollars - unaudited)

7- ACTIFS DE PROSPECTION ET D'ÉVALUTATION (suite)

Les dépenses suivantes, associées à la découverte de ressources minérales, ont été comptabilisées dans les frais de prospection et d'évaluation.

7- EXPLORATION AND EVALUATION ASSETS (continued)

The following expenses, associated to discovery of mineral resources, have been included in the cost of exploration and evaluation expenses.

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
	$	$	
FRAIS DE PROSPECTION ET D'ÉVALUATION			**EXPLORATION AND EVALUATION EXPENSES**
Coupe de ligne	-	7 950	Line cutting
Honoraires de géologues	480	16 452	Geologist fees
Honoraires d'ingénieurs	-	13 500	Engineering fees
Frais de location	2 175	32 670	Lease expenses
Levés géophysiques	-	15 300	Geophysical surveys
Analyses	-	22 089	Analysis
Frais généraux de prospection et d'évaluation	1 282	10 766	General exploration and evaluation expenses
Augmentation des actifs de prospection et d'évaluation	3 937	118 727	Increase of exploration and evaluation expenses
Dépréciation des frais de prospection et d'évaluation	-	(4 562 600)	Impairment of exploration and evaluation expenses
	3 937	(4 443 873)	
Solde au début	25 987 644	30 431 517	Balance, beginning of year
Solde à la fin	25 991 581	25 987 644	Balance, end of period

8- FACILITÉ DE CRÉDIT

La Société dispose d'une ligne de crédit par carte de crédit d'un montant maximal de 50 000 $ portant intérêt au taux de 19,99 %. Au 31 juillet 2019, la Société dispose d'un montant inutilisé de 26 768 $ (30 848 $ au 30 avril 2019). Le solde de la ligne de crédit est présenté dans les créditeurs et charges à payer.

8- CREDIT FACILITY

The Corporation has a credit line by credit card for a maximum amount of $50,000 bearing interest at 19.99%. As at July 31, 2019, the Corporation has an unused amount of $26,768 ($30,848 as at April 30, 2019). Credit's line balance is presented with accounts payable and accrued liabilities.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS THREE-MONTH PERIOD ENDED JULY 31, 2019 (in Canadian dollars - unaudited)

9- DÉBENTURES CONVERTIBLES

9- CONVERTIBLE DEBENTURES

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
	$	$	
Composante dette			**Debt component**
Débentures, garanties par des actifs de prospection et d'évaluation d'une valeur comptable nette de 25 285 195 $, portant intérêt à un taux annuel de 8 % (le taux d'intérêt effectif est de 12 %, les intérêts sont payables annuellement (détaillé en a)).	1 280 659	1 265 827	Debentures, secured by exploration and evaluation assets of a net book value of $25,285,195, bearing interest at an annual rate of 8% (effective interest rate of 12%, interest payable annually (detailed in a)).
Débentures, garanties par des actifs de prospection et d'évaluation d'une valeur comptable nette de 25 285 195 $, portant intérêt à un taux annuel de 8 % (le taux d'intérêt effectif est de 12 %, les intérêts sont payables annuellement (détaillé en b)).	889 514	-	Debentures, secured by exploration and evaluation assets of a net book value of $25,285,195, bearing interest at an annual rate of 8% (effective interest rate of 12%, interest payable annually (detailed in b)).
Débentures, non garanties, portant intérêt à un taux annuel de 8 % (le taux d'intérêt effectif est de 16 %, intérêts payables annuellement (détaillé en c)).	-	767 500	Debentures, unsecured, bearing interest at an annual rate of 8% (effective interest rate of 16%, interest payable annually (detailed in c)).
	2 170 173	2 033 327	
Portion à court terme de la composante dette d'une débenture convertible	2 170 173	2 033 327	Current portion of debt component of a convertible debenture
	-	-	

a) En novembre 2018, la Société a émis des débentures garanties pour un montant totalisant 1 300 000 $, portant intérêt à un taux annuel de 8 %. À la date d'émission, la composante dette de ces débentures s'élevait à 1 241 160 $, représentant la valeur actualisée des paiements d'intérêts et du remboursement de capital jusqu'au 28 novembre 2019. La différence entre la valeur nominale des débentures et la composante dette s'élève à 58 840 $ et représente l'option de conversion pour un montant de 45 970 $ et les bons de souscription émis pour un montant de 12 870 $. Ces montants ont été comptabilisés aux capitaux propres de la Société à l'émission. Le capital de ces débentures est convertible, au gré du détenteur, en actions ordinaires de la Société à un prix de 0,05 $ chacune. La composante dette sera augmentée à sa valeur nominale de 1 300 000 $ sur la durée de cet instrument financier, afin de refléter, à des fins comptables, un taux d'intérêt annuel effectif de 12 % représentant l'estimation d'un taux d'intérêt d'instruments similaires de dette qui ne comportent pas de composantes capitaux propres. Dans le cadre de ce placement, la Société a émis 13 000 000 bons de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,10 $ pour une période d'un an.

a) In November 2018, the Corporation issued secured debentures for an amount totaling $1,300,000, bearing interest at a rate of 8%. At the date of issuance, the debt component of these debentures amounted to $1,241,160, representing the present value of interest and principal repayment up to November 28, 2019. The difference between the nominal value of debentures and the debt component amounts to $58,840 and represents the conversion option for an amount of $45,970 and the warrants issued for an amount of $12,870. These amounts have been recorded upon issuance in the equity of the Corporation. The principal of these debentures is convertible, at the option of the holder, into common shares of the Corporation at a price of $0.05 each. Over the term of the convertible debentures, the debt component will be increased to its nominal value of $1,300,000 to provide, for accounting purposes, an actual annual interest expense equal to 12%, representing the estimated interest rate of similar debt instruments which do not have equity components. In connection with this placement, the Corporation issued 13,000,000 warrants. Each warrant entitles its holder to purchase one common share at a price of $0.10 for a period of one year.

9- DÉBENTURES CONVERTIBLES (suite)

b) En juillet 2019, la Société a émis des débentures garanties pour un montant totalisant 945 212 $, portant intérêt à un taux annuel de 8 %. À la date d'émission, la composante dette de ces débentures s'élevait à 884 900 $, représentant la valeur actualisée des paiements d'intérêts et du remboursement de capital jusqu'au 3 juillet 2020. La différence entre la valeur nominale des débentures et la composante dette s'élève à 60 312 $ et représente l'option de conversion pour un montant de 32 780 $ et les bons de souscription émis pour un montant de 27 532 $. Ces montants ont été comptabilisés aux capitaux propres de la Société à l'émission. Le capital de ces débentures est convertible, au gré du détenteur, en actions ordinaires de la Société à un prix de 0,05 $ chacune. La composante dette sera augmentée à sa valeur nominale de 945 212 $ sur la durée de cet instrument financier, afin de refléter, à des fins comptables, un taux d'intérêt annuel effectif de 12 % représentant l'estimation d'un taux d'intérêt d'instruments similaires de dette qui ne comportent pas de composantes capitaux propres. Dans le cadre de ce placement, la Société a émis 9 452 120 bons de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,10 $ pour une période d'un an.

c) En avril 2017, la Société a émis des débentures non garanties pour un montant totalisant 805 000 $, portant intérêt à un taux annuel de 8 %. À la date d'émission, la composante dette de ces débentures s'élevait à 604 900 $, représentant la valeur actualisée des paiements d'intérêts et du remboursement de capital jusqu'au 3 et 10 avril 2019. La différence entre la valeur nominale des débentures et la composante dette s'élève à 200 100 $ et représente l'option de conversion pour un montant de 89 100 $ et les bons de souscription émis pour un montant de 111 000 $. Ces montants ont été comptabilisés aux capitaux propres de la Société à l'émission. Le capital de ces débentures est convertible, au gré du détenteur, en actions ordinaires de la Société à un prix de 0,075 $ chacune les 12 premiers mois et à un prix de 0,10 $ chacune par la suite. La composante dette devait être augmentée à sa valeur nominale de 805 000 $ sur la durée de cet instrument financier, afin de refléter, à des fins comptables, un taux d'intérêt annuel effectif de 16 % représentant l'estimation d'un taux d'intérêt d'instruments similaires de dette qui ne comportent pas de composantes capitaux propres. Dans le cadre de ce placement, la Société avait émis 5 366 935 bons de souscription. Chaque bon de souscription permet au détenteur de souscrire à une action ordinaire au prix de 0,12 $ pour une période de deux ans. Au cours de l'exercice 2018, une débenture pour un montant de 37 500 $ a été convertie en 500 000 actions ordinaires. La composante dette au moment de la conversion au montant de 30 689 $ et la composante capitaux propres au montant de 4 150 $ ont été reclassées dans le capital social de la Société.

9- CONVERTIBLE DEBENTURES (continued)

b) In July 2019, the Corporation issued secured debentures for an amount totaling $945,212, bearing interest at an annual rate of 8%. At the date of issuance, the debt component of these debentures amounted to $884,900, representing the present value of interest and principal repayment up to July 3, 2020. The difference between the nominal value of debentures and the debt component amounted to $60,312 and represents the conversion option for an amount of $32,780 and the warrants issued for an amount of $27,532. These amounts have been recorded at that time in the equity of the Corporation. The principal of these debentures is convertible, at the option of the holder, into common shares of the Corporation at a price of $0.05. Over the term of the convertible debentures, the debt component will be increased to its nominal value of $945,212 to provide, for accounting purposes, an actual interest expense equal to 12%, representing the estimated interest rate of similar debt instruments which do not have equity components. In connection with this placement, the Corporation issued 9,452,120 warrants. Each warrant entitles its holder to purchase one common share at a price of $0.10 for a period of one year.

c) In April 2017, the Corporation issued unsecured debentures for an amount totaling $805,000, bearing interest at an annual rate of 8%. At the date of issuance, the debt component of these debentures amounted to $604 900, representing the present value of interest and principal repayment up to April 3 and April 10, 2019. The difference between the nominal value of debentures and the debt component amounted to $200,100 and represents the conversion option for an amount of $89,100 and the warrants issued for an amount of $111,000. These amounts have been recorded at that time in the equity of the Corporation. The principal of these debentures is convertible, at the option of the holder, into common shares of the Corporation at a price of $0.075 each for the first 12 months and at a price of $0.10 per share thereafter. Over the term of the convertible debentures, the debt component should be increased to its nominal value of $805,000 to provide, for accounting purposes, an actual interest expense equal to 16%, representing the estimated interest rate of similar debt instruments which do not have equity components. In connection with this placement, the Corporation issued 5,366,935 warrants. Each warrant allowed its holder to purchase one common share at a price of $0.12 for a period of 2 years. During the year 2018, a debenture for an amount of $37,500 was converted into 500,000 common shares. The debt component at the time of the conversion of an amount of $30,689 and the equity component amounting to $4,150 have been reclassified in the capital stock of the Corporation.

(in Canadian dollars - unaudited)

9- DÉBENTURES CONVERTIBLES (suite)

c) Au 30 avril 2019, la composante capitaux propres de ces débentures s'élève à 81 310 $. Les débentures n'ont pas été converties ni remboursées à la date d'échéance. La Société a émis de nouvelles débentures en juillet 2019 afin de régler ces débentures échues (voir b). Lors du renouvellement, la Société a décomptabilisé le passif de 767 500 $ et la composante capitaux propre au montant de 81 310 $ a été transférée au surplus d'apport.

9- CONVERTIBLE DEBENTURES (continued)

c) As at April 30, 2019, the equity component of these debentures amounts to $81,310. The debentures have not been converted or repaid on the maturity date. The Corporation issued new debentures in July 2019 to settle these debentures (see b). On renewal, the Corporation derecognized the liability of $767,500 and the equity component of the amount of $81,310 was transferred to contributed surplus.

10- DETTE LONG TERME / 10- LONG-TERM DEBT

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
	$	$	
Dette envers l'Agence du Revenu du Canada (ARC), sans modalité de remboursement, portant intérêt au taux prescrit par l'ARC. Le taux d'intérêt est de 6 % au 30 avril 2019 (5,18 % au 30 avril 2018).	832 714	832 714	Debt owed to the Canada Revenue Agency (CRA), without repayment terms, bearing interest at the rate prescribed by the CRA. The interest rate is 6% as at April 30, 2019 (5.18% as at April 30, 2018).
Portion court terme de la dette à long terme	832 714	832 714	Current portion of long-term debt
	-	-	

11- AUTRE PASSIF / 11- OTHER LIABILITY

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
	$	$	
Solde au début	20 456	208 381	Balance, at beginning
Radiation d'obligations liées aux financements accréditifs	-	(172 876)	Write-off of obligations related to flow-through financings
Réduction liée à l'engagement des dépenses	(652)	(15 049)	Decrease related to the incurring of expenses
Solde à la fin	19 804	20 456	Balance at the end

Le poste autre passif est représenté par la vente de déductions fiscales aux investisseurs par le biais de financements accréditifs. / Other liability is represented by the sale of tax deductions to investors following flow-through share financings.

(in Canadian dollars - unaudited)

12- CAPITAL-SOCIAL

Autorisé

Nombre illimité d'actions ordinaires sans valeur nominale

Nombre illimité d'actions privilégiées, non votantes, dividende de 10 %, rachetables au gré de la Société à 1 $ par action

Les mouvements dans les actions ordinaires de la Société se détaillent comme suit :

12- CAPITAL STOCK

Authorized

Unlimited number of common shares without par value

Unlimited number of preferred shares, non-voting, dividend at a rate of 10%, redeemable at the Corporation's option for $1 per share

Changes in Corporation's common shares were as follows:

	31 juillet 2019 July 31, 2019		30 avril 2019 April 30, 2019		
	Quantité Number	Montant Amount $	Quantité Number	Montant Amount $	
Solde au début	190 397 224	56 786 742	190 297 224	56 782 742	**Balance, beginning of year**
Acquisition de propriétés minières	-	-	100 000	4 000	Acquisition of mining properties
Solde à la fin	190 397 224	56 786 742	190 397 224	56 786 742	**Balance, end of year**

Au 31 juillet 2019 et au 30 avril 2019, 190 397 224 actions sont émises et sont entièrement libérées.

As at July 31, 2019 and as at April 30, 2019, 190,397,224 shares are issued and fully paid.

13- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION

Options d'achat d'actions

Les actionnaires de la Société ont approuvé un régime d'options d'achat d'actions (le « régime ») selon lequel les membres du conseil d'administration peuvent attribuer des options d'achat d'actions permettant à ses administrateurs, dirigeants, employés et fournisseurs d'acquérir des actions ordinaires de la Société. Les conditions et le prix d'exercice de chaque option d'achat d'actions sont déterminés par les membres du conseil d'administration. Les conditions d'acquisition des options d'achat d'actions sont sans restriction sauf celles octroyées à un responsable des relations avec les investisseurs qui seront acquises graduellement à raison de 25 % par trimestre.

Le régime stipule que le nombre maximum d'actions ordinaires dans le capital de la Société qui pourrait être réservé pour attribution en vertu du régime est égal à 10 % des actions émises et en circulation au moment de l'octroi des options. Le nombre maximal d'actions ordinaires réservées à l'attribution des options d'achat d'actions à un seul détenteur ne peut dépasser 5 % des actions ordinaires en circulation à la date d'attribution et ne peut excéder 2 % des actions ordinaires en circulation dans le cas des consultants et des responsables des relations avec les investisseurs. Les options d'achat d'actions expireront au plus tard cinq ans après avoir été octroyées.

13- SHARE PURCHASE OPTIONS AND WARRANTS

Share Purchase Options

The shareholders of the Corporation approved a stock option plan (the "plan") whereby the Board of Directors may grant to employees, officers, directors and suppliers of the Corporation, share purchase options to acquire common shares of the Corporation. Terms and exercise prices of each option is determined by the Board of Directors. The acquisition conditions of share purchase options are without restrictions except those granted to investors relation representatives which are gradually acquired at a rate of 25% each quarter.

The plan provides that the maximum number of common shares in the capital of the Corporation that may be reserved for issuance under the plan shall be equal to 10% of the issued and outstanding shares at the time of grant. The maximum number of common shares which may be reserved for issuance to any optionee may not exceed 5% of the outstanding common shares at the time of vest and may not exceed 2% of the outstanding common shares for consultants and investors relation representative. Options will expire no later than five years after being granted.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS THREE-MONTH PERIOD ENDED JULY 31, 2019 (in Canadian dollars - unaudited)

13- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION (suite)

Options d'achat d'actions (suite)

Le prix d'exercice de chaque option d'achat d'actions est établi par le conseil d'administration et ne peut être inférieur à la valeur marchande des actions ordinaires à la date de l'octroi. Toute option d'achat d'actions est réglable en actions conformément aux politiques de la Société.

Au 30 avril 2019, la juste valeur des options octroyées en vertu du régime a été calculée selon le modèle Black-Scholes d'évaluation du prix des options avec les hypothèses de la moyenne pondérée suivantes : durée estimative de 5 ans taux d'intérêt sans risque de 2,3 %, prix des actions à la date de l'octroi de 0,02 $, dividende prévu de 0 % et volatilité prévue de 90 %.

Les mouvements dans les options d'achat d'actions de la Société se détaillent comme suit :

13- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Share Purchase Options (suite)

The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of grant. Any share purchase option is payable in shares in accordance with Corporation policies.

As at April 30, 2019, the fair value of options granted in accordance with the plan was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: estimated duration of 5 years, risk-free interest rate of 2.3%, price of share at the time of grant of $0.02, dividend yield of 0% and expected volatility rate of 90%.

Changes in Corporation share purchase options were as follows:

	31 juillet 2019 July 31, 2019		30 avril 2019 April 30, 2019		
	Nombre Number	Prix de levée moyen pondéré Weighted average exercise price	Nombre Number	Prix de levée moyen pondéré Weighted average exercise price	
		$		$	
Solde au début	15 042 500	0 08	11 602 500	0,15	**Balance, beginning of year**
Octroyées	-	-	5 300 000	0,05	Granted
Expirées	-	-	(1 860 000)	0,45	Expired
En circulation à la fin	15 042 500	0,08	15 042 500	0,08	**Balance, end of period**
Exerçables à la fin	15 042 500	0,08	15 042 500	0,08	**Exercisable, end of period**

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
Moyenne pondérée de la juste valeur des options octroyées	-	0,01 $	Weighted average fair value of options granted

La volatilité prévue a été déterminée par rapport aux données historiques des actions de la Société sur la durée de vie moyenne prévue des options.

The expected volatility was determined by reference to historical data of the Corporation shares over the expected average life of the options.

(in Canadian dollars - unaudited)

13- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION (suite)

Options d'achat d'actions (suite)

Le tableau ci-après résume l'information relative aux options d'achat d'actions octroyées en vertu du régime.

13- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Share Purchase Options (suite)

The following table summarizes the information relating to the share purchase options granted under the plan.

Options en circulation Options Outstanding	Moyenne pondérée de la période résiduelle de levée Weighted average remaining contractual life	Prix de levée Exercise price
		$
1 517 500	0,1 an / 0.1 year	0,08
925 000	0,8 an / 0.8 year	0,075
2 600 000	1,6 ans / 1.6 years	0,15
4 700 000	3,1 ans / 3.1 years	0,08
5 300 000	4,1 ans / 4.1 years	0,05
15 042 500		

Bons de souscription

Au 31 juillet 2019, la juste valeur des bons de souscription octroyés a été calculée selon le modèle d'évaluation Black-Scholes avec les hypothèses de la moyenne pondérée suivantes : durée estimative d'un an (un an au 30 avril 2019), taux d'intérêt sans risque de 1,54 % (2,19 % au 30 avril 2019), prix des actions à la date de l'octroi de 0,02 $ (0,02 $ au 30 avril 2019), dividende prévu de 0 % (0% au 30 avril 2019) et volatilité prévue de 139 % (103 % au 30 avril 2019).

Les mouvements dans les bons de souscription de la Société se détaillent comme suit :

Warrants

At as July 31, 2019, the fair value of warrants granted was estimated using the Black-Scholes pricing model with the following weighted average assumptions: estimated duration of 1 year (1 year as at April 30, 2019), risk-free interest rate of 1.54% (2.19 % as at April 30, 2019), price of share at time of grant of $0.02 ($0.02 as at April 30, 2019), expected dividend yield of 0% (0% as at April 30, 2019) and expected volatility rate of 139% (103% as at April 30, 2019).

Changes in Corporation warrants were as follows:

	31 juillet 2019 July 31, 2019		30 avril 2019 April 30, 2019		
	Nombre Number	Prix de levée moyen pondéré Weighted average exercise price	Nombre Number	Prix de levée moyen pondéré Weighted average exercise price	
		$		$	
Solde au début	26 745 078	0,11	29 043 778	0,14	**Balance, beginning of year**
Octroyés	9 452 120	0,10	13 000 000	0,10	Granted
Expirés	-	-	(15 298 700)	0,15	Expired
Solde à la fin	**36 197 198**	0,11	**26 745 078**	0,11	**Balance, end of period**
Exerçables à la fin	**36 197 198**	0,11	**26 745 078**	0,11	**Exercisable, end of period**

(in Canadian dollars - unaudited)

13- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION (suite)

13- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Bons de souscription (suite)

Warrants (continued)

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
Moyenne pondérée de la juste valeur des bons de souscription octroyés	0,003 $	0,001 $	Weighted average fair value of warrants granted

La volatilité prévue a été déterminée par rapport aux données historiques des actions de la Société sur la durée de vie moyenne prévue des bons de souscription.

The expected volatility was determined by reference to historical data of the Corporation shares over the expected average life of the warrants.

Les bons de souscription en circulation se détaillent comme suit :

Warrants outstanding are as follows :

Bons de souscription en circulation Warrants Outstanding	Prix Price	Date d'expiration Expiry Date
	$	
1 779 412	0,15	Août / August 2019
277 059	0,15	Septembre / September 2019
7 674 321	0,12	Novembre / November 2019
13 000 000	0,10	Novembre / November 2019
2 514 286	0,10	Décembre / December 2019
857 143	0,10	Février / February 2020
642 857	0,10	Mars / March 2020
9 452 120	0,10	Juillet / July 2020
36 197 198		

Options aux courtiers et à des intervenants

Les mouvements dans les options aux courtiers et à des intervenants se détaillent comme suit :

Options to brokers and intermediaries

Changes in brokers and intermediaries options were as follows :

	31 juillet 2019 July 31, 2019		30 avril 2019 April 30, 2019		
	Nombre Number	Prix de levée moyen pondéré Weighted average exercise price	Nombre Number	Prix de levée moyen pondéré Weighted average exercise price	
		$		$	
Solde au début	666 666	0,06	4 127 194	0,08	**Balance, beginning of year**
Expirées	-	-	(3 460 528)	0,09	Expired
Solde à la fin	666 666	0,06	666 666	0,06	**Balance, end of period**
Exerçables à la fin	666 666	0,06	666 666	0,06	**Exercisable, end of period**

(in Canadian dollars - unaudited)

13- OPTIONS D'ACHAT D'ACTIONS ET BONS DE SOUSCRIPTION (suite)

Options aux courtiers et à des intervenants (suite)

Les options aux courtiers et à des intervenants se détaillent comme suit :

13- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Options to brokers and intermediaries (continued)

Options to brokers and intermediaries are as follows :

Options aux courtiers et à des intervenants en circulation / Brokers' and Intermediaries' Options Outstanding	Prix / Price	Date d'expiration / Expiry Date
	$	
666 666	0,06	Décembre 2019 / December 2019

14- RENSEIGNEMENTS COMPLÉMENTAIRES AUX FLUX DE TRÉSORERIE / 14- COMPLEMENTARY INFORMATIONS RELATED TO CASH FLOWS

Pour la période de trois mois close le 31 juillet / For the three-month period ended July 31

	2019	2018	
	$	$	
Variation des éléments hors caisse du fonds de roulement			**Net change in non-cash operating working capital items**
Taxes à recevoir	4 858	129 497	Taxes receivable
Frais payés d'avance	(1 976)	48 571	Prepaid expenses
Créditeurs et charges à payer	12 182	92 040	Accounts payable and accrued liabilities
	15 064	270 108	
Intérêts courus sur débentures réglés par l'émission de débentures	127 712	-	Accrued interests on debentures settled by the issuance of debentures

15- OPÉRATIONS ENTRE PARTIES LIÉES

Le tableau suivant présente les opérations conclues avec une société contrôlée par le président de Ressources Explor inc.

15- RELATED PARTY TRANSACTIONS

The table below shows related party transactions with a corporation controlled by the president of Explor Resources Inc.

	31 juillet 2019 July 31, 2019	30 avril 2019 April 30, 2019	
	$	$	
Honoraires de consultants	27 000	108 000	Consultant fees
Frais de déplacement et représentation	-	438	Travelling and entertainment expenses
Frais de bureau	-	1 703	Office expenses
Frais de location	4 500	18 000	Rent expenses
Frais de prospection et d'évaluation	-	16 770	Exploration and evaluation expenses

(in Canadian dollars - unaudited)

15- OPÉRATIONS ENTRE PARTIES LIÉES (suite)

Un solde de 157 500 $ est à payer à cette société au 31 juillet 2019 (56 000 $ au 30 avril 2019) et est présenté distinctement à l'état de la situation financière dans le dû à des sociétés liées.

Le tableau suivant présente les opérations conclues avec des membres du conseil d'administration et avec le chef des finances.

15- RELATED PARTY TRANSACTIONS (continued)

Balance of $157,500 is payable to this corporation as at July 31, 2019 ($56,000 as at April 30, 2019) and is presented separately in the statement of financial position in due to related companies.

The table below shows transactions with members of the Board of Directors and with the Chief Financial Officer.

	31 juillet 2019 July 31, 2019	**30 avril 2019 April 30, 2019**	
	$	$	
Honoraires de consultants	9 000	36 000	Consultant fees
Inscription, registrariat et informations aux actionnaires	-	4 257	Registration, listing fees and shareholders' information
Rémunération et paiements fondés sur des actions	-	44 000	Share-based compensation

En relation avec ces transactions, au 31 juillet 2019, un solde à payer de 39 000 $ (30 000 $ au 30 avril 2019) est présenté avec le dû à des administrateurs à l'état de la situation financière.

Le tableau suivant présente les opérations conclues avec une société ayant le même président qu'Explor ; les deux sociétés ont également des administrateurs en commun et avaient le même chef des finances jusqu'en décembre 2018.

In relation with these transactions, as at July 31, 2019, an amount of $39,000 ($30,000 as at April 30, 2019) is presented with the due to directors at the statement of financial position.

The table below shows transactions with a corporation that has the same president as Explor; both corporations also have directors in common and had the same Chief Financial Officer up to December 2018.

	31 juillet 2019 July 31, 2019	**30 avril 2019 April 30, 2019**	
	$	$	
Frais de bureau	-	3 191	Office expenses

Le solde à payer de 3 038 $ (3 169 $ au 30 avril 2019) de cette société est présenté distinctement à l'état de la situation financière de la Société.

Ces opérations sont mesurées au montant de la contrepartie convenue entre les parties aux accords. Les soldes à payer sont généralement réglés en espèces.

Amount payable of $3,038 ($3,169 as at April 30, 2019) from this corporation is presented separately at the statement of financial position of the Corporation.

The transactions are measured at the amount of consideration established and agreed by the related parties. The amounts payable are usually settled in cash.

16- PASSIFS ÉVENTUELS

La Société se finance en partie par l'émission d'actions accréditives, cependant il n'y a pas de garantie que les fonds dépensés par la Société seront admissibles comme frais d'exploration canadiens (FEC). Le refus de certaines dépenses par les autorités fiscales aurait des conséquences fiscales négatives pour les investisseurs. En vertu des conventions d'actions accréditives signées dans le passé, la Société est déjà en défaut de FEC pour un montant d'environ 3 000 000 $; ces montants se devaient d'être engagés avant la date statutaire du 31 décembre 2014 et du 31 décembre 2013. Au cours de l'exercice clos le 30 avril 2019, la Société s'est également retrouvée en défaut pour des FEC pour un montant supplémentaire d'environ 2 170 000 $ qui devaient être engagés avant le 31 décembre 2018. Au 30 avril 2019, le montant cumulatif se chiffre donc à environ 5 170 000 $. Comme certains travaux de prospection et d'évaluation n'ont pas été complétés dans les délais prescrits, il subsiste un risque financier important pour la Société ainsi qu'un risque fiscal important pour les investisseurs.

Au cours de l'exercice clos le 30 avril 2016, la Société a fait l'objet d'une vérification de l'Agence du Revenu du Canada (ARC) en relation avec les obligations légales et l'admissibilité des FEC. Au cours de l'exercice clos le 30 avril 2017, l'ARC a émis des avis de cotisation pour un montant d'environ 1 316 000 $; que la Société devait rembourser par versements mensuels de 50 000 $ conformément à l'entente. Par la suite, la Société a cessé les versements et a entrepris en décembre 2017 des démarches en vue de déposer un avis d'opposition à l'ARC. Au 30 avril 2019, le solde à payer à l'ARC s'élève à environ 830 000 $ (622 400 $ au 30 avril 2018). Ce solde inclut les impôts de la Partie XII.6 en lien avec les conventions d'actions accréditives de 2017 qui n'ont pas été respectés au 31 décembre 2018.

La Société avait comme politique de payer une compensation aux investisseurs à leur demande suite à une re-cotisation fiscale. Par contre, depuis que des représentations ont été effectuées auprès de l'ARC, la Société a suspendu cette politique. Au cours de l'exercice clos le 30 avril 2018, un montant d'environ 7 000 $ est comptabilisé comme compensation aux investisseurs, suite au refus de certains FEC par l'ARC. De plus, la Société estime le montant dû au gouvernement provincial à environ 349 000 $ qui est présenté comme provision pour pénalités et impôts de la Partie XII.6 à l'état de la situation financière au 30 avril 2019 et au 31 juillet 2019. Tout montant supplémentaire en relation avec cette provision serait alors comptabilisé aux résultats de l'exercice au cours duquel il sera possible d'en faire une estimation raisonnable.

16- CONTINGENT LIABILITIES

The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses (CEE). Refusal of certain expenses by tax authorities would have negative tax consequences for investors. By virtue of past flow-through shares agreements, the Corporation has already a cumulative shortfall of CEE of approximately $3,000,000. These amounts had to be spent by the statutory date of December 31, 2014 and of December 31, 2013. During the year ended April 30, 2019, the Corporation was also in default for CEE for an additional amount of approximately $2,170,000 that was due to be incurred prior to December 31, 2018. As at April 30, 2019, the cumulative amount is approximately $5,170,000. As some exploration and evaluation expenses were not completed within the prescribed deadlines, there is an important financial risk for the Corporation and also an important fiscal risk for the investors.

During the year ended April 30, 2016, the Corporation was subject to an audit by Canada Revenue Agency (CRA) in relation with the legal requirements and the eligibility of CEE. During the year ended April 30, 2017, the CRA issued notices of assessment to the Corporation for an amount of approximately $1,316,000, had to repay in monthly installments of $50,000 pursuant to the agreement. Thereafter, the Corporation stopped making payments and made representation in December 2017 in order to file a notice of objection with the CRA. As at April 30, 2019, the balance payable to CRA is approximately $830,000 ($622,400 as at April 30, 2018). This balance includes Part XII.6 taxes related to the 2017 flow-through shares agreements that were not met as at December 31, 2018.

The Corporation's policy was to pay compensation to investors upon their request for fiscal re-assessment. However, since the moment, representations were made to the CRA, the Corporation has suspended this policy. During the year ended as at April 30, 2018, an amount of approximately $7,000 is accounted for as compensation to investors, following the refusal of certain CEE by the CRA. In addition, the Corporation estimates the amount owed to the Province of Quebec at approximately $349,000 which is presented as accrued penalties and Part XII.6 taxes in the statement of financial position as at April 30, 2019 and July 31, 2019. All additional amounts in relation with this provision will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at this time.

16- PASSIFS ÉVENTUELS (suite)

Suite aux conventions d'actions accréditives réalisées, au 31 juillet 2019, la Société doit dépenser en frais de prospection et d'évaluation un montant s'élevant à environ 74 263 $ (78 200 $ au 30 avril 2019). Par conséquent, à cette date, la Société ne possède pas les liquidités nécessaires pour respecter ses engagements financiers qui devront être honorés avant le 31 décembre 2019. Ceci augmente le risque que les fonds ne soient pas dépensés en frais de prospection et d'évaluation.

En mars 2018, une poursuite en dommages a été déposée à la Cour supérieure du Québec contre la Société, les dirigeants et les administrateurs pour un montant d'environ 631 000 $. La poursuite est reliée au non-respect de conventions d'actions accréditives signées par le passé. De l'avis de la direction de la Société, la réclamation du demandeur a peu de chance de succès et il est peu probable que la Société aura à débourser un montant important en relation avec ce litige. Par le fait même, au 31 juillet 2019 et au 30 avril 2019, aucune provision ne figure aux états financiers de la Société.

17- ENGAGEMENTS

Ententes avec les premières Nations

En juin 2013, la Société a signé un protocole d'entente avec les premières Nations Flying Post et Mattagami (les « premières nations ») quant à l'exploration de la propriété Timmins Porcupine West. La Société versera 2 % des coûts directs d'exploration dépensés sur la propriété Timmins Porcupine West à partir de la date de signature de l'entente.

En février 2016, la Société a signé un protocole d'entente avec les premières Nations Matachewan et Mattagami (les « premières nations ») quant à l'exploration de la propriété Kidd Township. Dans le cadre de cette entente, la Société a émis un total de 1 000 000 actions ordinaires aux premières nations. La Société versera 2 % des coûts directs d'exploration dépensés sur la propriété Kidd Township à partir de la date de signature de l'entente.

En septembre 2017, la Société a signé un protocole d'entente avec les premières Nations Matachewan et Mattagami (les « premières nations ») quant à l'exploration de la propriété Montrose. Dans le cadre de cette entente, la Société a émis un total de 1 000 000 d'actions ordinaires et payé 2 000 $ en espèces aux premières nations. La Société versera 2 % des coûts directs d'exploration dépensés sur la propriété Montrose à partir de la date de signature de l'entente.

16- CONTINGENT LIABILITIES (continued)

Following flow-through shares agreements, as at July 31, 2019, the Corporation has to incur exploration and evaluation expenses amounting to approximately $74,263 ($78,200 as at April 30, 2019). Therefore, at that date, the Corporation does not have necessary liquidities in order to fulfill its financial commitments that have to be met by December 31, 2019. This increases the risk that funds might not be spent in exploration and evaluation expenses.

In March 2018, a claim for damages was filed with the Superior Court of Quebec against the Corporation and the officers and directors for an amount of approximately $631,000. The claim is related to non-compliance with flow-through share agreements signed in the past. In the opinion of the Corporation's management, the claim has little chance of success and it is not very likely that the Corporation will have to disburse a significant amount of money in relation with this litigation. For this reason, as of July 31, 2019 and April 30, 2019, no provision appears in the Corporation's financial statements.

17- COMMITMENTS

First Nations Agreements

In June 2013, the Corporation has entered into a Memorandum of Understanding with the first nations Flying Post and Mattagami (the "First Nations") pertaining to the exploration of the Timmins Porcupine West property. The Corporation will pay 2% of all direct exploration costs incurred on this property after the signature date of the agreement.

In February 2016, the Corporation has entered into a Memorandum of Understanding with the first nations Matachewan and Mattagami (the "First Nations") pertaining to the exploration of the Kidd Township property. In connection with this agreement, the Corporation issued a total of 1,000,000 common shares to the first nations. The Corporation will pay 2% of all direct exploration costs incurred on the Kidd Township property after the signature date of the agreement.

In September 2017, the Corporation has entered into a Memorandum of Understanding with the first nations Matachewan and Mattagami (the "First Nations") pertaining to the exploration of the Montrose property. In connection with this agreement, the Corporation issued a total of 1,000,000 common shares and paid $2,000 in cash to the First Nations. The Corporation will pay 2% of all direct exploration costs incurred on the Montrose property after the signature date of the agreement.

17- ENGAGEMENTS (suite)

Entente avec Puma Exploration inc. sur la propriété Chester

En janvier 2019, la Société a signé une entente d'option pour la vente d'un intérêt de 100 % sur la propriété Chester. En vertu de cette entente d'option, la Société pourrait recevoir un montant total de 300 000 $ en espèces et l'acquéreur doit effectuer un montant total de 1 100 000 $ en travaux de prospection et d'évaluation sur la propriété chester au cours d'une période de trois ans selon l'échéancier suivant : 100 000 $ en espèces et 250 000 $ en travaux de prospection et d'évaluation au premier anniversaire; 100 000 $ en espèces et 350 000 $ en travaux de prospection et d'évaluation au deuxième anniversaire; 100 000 $ en espèces et 500 000 $ en travaux de prospection et d'évaluation au troisième anniversaire. Suite à la transaction, la Société conservera une redevance NSR de 2 % et l'acquéreur aura la possibilité de racheter 1 % de cette redevance pour un montant de 1 000 000 $.

18- ÉVÉNEMENTS SUBSÉQUENTS

Le 22 août 2019, la Société a annoncé qu'elle avait signé une convention de fusion (la « convention ») avec Pure Nickel Inc. (« Pure Nickel ») pour regrouper les deux sociétés sur la base de 54/46 (Explor /Pure Nickel) («l'opération »).

En lien avec l'opération, au 22 août 2019, Pure Nickel émettrait environ 95 198 612 actions ordinaires de Pure Nickel en échange de toutes les actions ordinaires émises et en circulation d'Explor. Par conséquent, après la réalisation de l'opération, la société issue du regroupement aurait environ 177 891 951 actions en circulation dont les actionnaires d'Explor détiendront le contrôle du vote. La réalisation de l'opération est assujettie à l'obtention de toutes les approbations requises, tant des actionnaires que des autorités de réglementation.

M. R. David Russell, l'actuel chef de la direction de Pure Nickel continuera en tant que chef de la direction et président de la nouvelle société et M. Christian Dupont d'Explor, sera vice-président et chef des opérations.

En septembre 2019, la Société a complété un placement privé en unités d'un montant de 500 000 $. Chaque unité se compose d'une action ordinaire au prix de 0,05 $ l'action et d'un-demi bon de souscription. Chaque bon de souscription complet permet d'acheter une action ordinaire additionnelle au prix de 0,10 $ pour une période de 24 mois se terminant le 18 septembre 2021. La Société a donc émis 10 000 000 actions ordinaires et 5 000 000 de bons de souscription. Ce placement privé est dans le cadre de l'opération de fusion avec Pure Nickel Inc. qui a été annoncé préalablement par communiqué de presse le 22 août 2019.

17- COMMITMENTS (continued)

Agreement with Puma Exploration Inc. on Chester property

In January 2019, the Corporation signed an option agreement to sell a 100% interest in the Chester property. Under this option agreement, the Corporation could receive a total amount of $300,000 in cash and the purchaser will have to complete a total of $1,100,000 in exploration and evaluation expenses on the Chester property over a period of three years according to the following schedule: $100,000 cash and $250,000 in exploration and evaluation expenses on the first anniversary; $100,000 in cash and $350,000 in exploration and evaluation expenses on the second anniversary; $100,000 in cash and $500,000 in exploration and evaluation expenses on the third anniversary. Following the transaction, the Corporation will retain a 2% NSR royalty and the purchaser will have the opportunity to redeem 1% of this royalty for an amount of $1,000,000.

18- SUBSEQUENT EVENTS

On August 22, 2019, the Corporation announced that it had signed an Amalgamation Agreement (the "Agreement") with Pure Nickel Inc. ("Pure Nickel") to merge the companies on a 54/46 (Explor/Pure Nickel) basis (the "Transaction").

In connection with the Transaction, as at August 22, 2019, Pure Nickel would issue approximately 95,198,612 common shares of Pure Nickel in exchange for all of the issued and outstanding common shares of Explor. As a result, upon completion of the Transaction, the combined company would have approximately 177,891,951 shares outstanding with Explor shareholders holding voting control. The completion of the Transaction is subject to all necessary shareholder and regulatory approvals.

Mr. R. David Russell, current Chief Executive Officer of Pure Nickel, will continue as the Chief Executive Officer and President of the new company and Mr. Christian Dupont, of Explor, will become the Vice President and Chief Operating Officer.

In September 2019, the Corporation closed a non-brokered private placement in units for an amount of $500,000. Each unit is composed of one common share and one-half (½) of a share purchase warrant. Each whole warrant allows to buy one additional common share at a price of $0.10 for a period of 24 months ending September 18, 2021. Thus, the Corporation has issued 10,000,000 common shares and 5,000,000 warrants. This private placement is in connection with the amalgamation transaction previously announced by press release on August 22, 2019.

SCHEDULE E
EXPLOR MD&A

ANNUAL MD&A FOR THE YEAR ENDED APRIL 30, 2019
INTERIM MD&A FOR THE THREE MONTHS ENDED AUGUST 31, 2019

EXPLOR Resources inc.

Annual Management Discussion and Analysis Report

For the Year Ended April 30, 2019

This annual management's discussion and analysis report ("MD&A") provides an analysis of our financial position and results of operations to enable a reader to assess material changes for the year ended April 30, 2019, in comparison with the same period of last year. This annual MD&A report was prepared as at August 28, 2019 to complement our audited annual financial statements.

Explor Resources Inc. ("Explor") was continued under the *Business Corporations Act (Alberta)*. It is an exploration company operating in Canada. It holds properties in Ontario (Eastford Lake, PG 101, Carnegie, Golden Harker, Montrose, Timmins Porcupine West, Kidd Township, Hoyle and Ogden), in Quebec (East Bay and Destor), and in New Brunswick (Chester). Explor Resources Inc. is a publicly listed company trading on the TSX Venture Exchange (TSXV-EXS), on the USA Pink Sheets (EXSFF) and on the Frankfurt and Berlin Stock Exchanges (E1H1).

This annual MD&A contains "forward-looking statements" not based on historical facts. Forward-looking statements express, as at the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements, factors could cause results or events to differ materially from current expectations expressed or implied by forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Corporation to obtain financing.

MINING PROPERTIES

EASTFORD LAKE (ONTARIO)

History

In October 2005, the Corporation acquired a 100% interest in 137 units (13 claims) situated in the Kerr, Warden and Milligan Townships, in Ontario, in consideration of an amount of $18,000 and the issuance of 450,000 common shares. The vendors have retained a 2% NSR royalty on these claims. In September 2007, the Corporation acquired 57 additional contiguous units claims by staking and the Eastford Lake Property now covers a total area of approximately 3,140 hectares.

Location

The Eastford Lake Property is located in the Rayner Lake area, near the Abitibi Lake, at approximately 100 km to the west of the city of Timmins, Ontario. The property is accessed via a 16 kilometres all weather graver road from highway 101 to the south.

Work by Explor

In July 2009, Explor completed a round of exploratory drilling to determine the location and direction of the «**Lynx Gold Zone**"; seven drill holes for a total of 3,534.2 meters were completed to test a new model. Visible Gold (VG) was observed in two of the holes that were drilled. A total pulp metallic assay has been conducted on those areas where VG was observed. Only one hole had anomalous values less than 500ppb.

The Corporation completed a structural analysis of the geology using the holes drilled to date and incorporated the results into the current geological model. Nine parallel shear zones were defined in a 400-meter-wide shear zone corridor. The shear zone corridor appears to have been bisected by a major fault trending north-north-east. Gold has been found in several of the shears. Two drill holes were completed to intersect where six SGH gold anomalies were coincident with the shear zones. Of these only one resulted with anomalous gold mineralization.

In 2010, Explor completed a series of four holes for a total of 3,029 meters of diamond drilling. This program focused on intersecting the gold bearing shear zones that are intersected by a major fault structure that is trending in a north north easterly direction and through the Lynx Gold Zone.

The results of the 2010 diamond drill program suggest the following:

1. The cluster of gold assays in Hole EG-10-26 occurs along structural, lithological and alteration that strike northwest of the Lynx Gold Zone. This suggests that the strongest known Au mineralization in the immediate area (including the Lynx Gold Zone) occurs within and is controlled by the northwest trending Eastford Lake Fault Zone.
2. The multiple Au intersections grading up to 4.6 gpt in previously drilled hole EG-09-23 may indicate a separate gold zone parallel to the Lynx Gold Zone, or, it may be controlled by the cross fault.

The discovery of the Lynx Gold Zone in this largely unexplored area represents a major technical success. As a possible new gold camp associated with the regional Destor-Porcupine Fault, it requires further systematic drilling to test and improve the proposed geological model, extend the known gold zones and search for new mineralized zones elsewhere on the property. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

CARNEGIE (ONTARIO)

History

The Corporation, from 2007 to 2008, entered into five different agreements for the acquisition of 18 claims (86 units) located in the Carnegie and Kidd Townships, Mining Division of Porcupine, in Ontario, forming the Carnegie Property, which covers approximately 1,003 hectares. To acquire these claims, the Corporation paid a total of $53,000 and issued a total of 750,000 common shares. There exist a 2% NSR royalty on the property.

Location

The Carnegie Property is located approximately 1.5 kilometre north of the Kidd Creek mine site and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Highway 655.

Work by Explor

A 2,500-meter drill program consisting of ten holes was completed by Explor in the winter of 2010 on the Carnegie Property. Rhyolite was observed in one of the holes. The drilling that was completed tested max/min as well as IP targets there were found during the 2009 winter/spring geophysical program.

A detailed examination of the core has permitted to observe lithologies, textures, alterations and mineralization in many of the holes that were drilled that indicate a strong potential for the localization of a volcanogenic massive sulfide deposit. This has necessitated a second phase of geochemical sampling to determine alteration indexes and also samples have also been submitted for Cu-Zn (copper-zinc) and gold analysis. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

MONTROSE/MIDLOTHIAN (ONTARIO)

History

The Corporation, from 2007 to 2009, entered into three different agreements for the acquisition of 186 mineral units comprising 16 mineral claims situated in Montrose and Midlothian Townships, in the Porcupine Mining Division, District of Cochrane, Province of Ontario. To acquire these claims, the Corporation paid a total of $75,500 and issued a total of 710,000 common shares. There exist a 2% and 1% NSR royalty on the property.

In September 2017, the Corporation announced that it has signed a Memorandum of Understanding (“MOU”) with the Matachewan First Nation of Matachewan, Ontario and the Mattagami First Nation of Gogama, Ontario (the “First Nations”), with respect to the Montrose Property. The MOU will serve as a framework to govern the relationship between Explor and the First Nations in accordance with their intention of further building a relationship characterized by cooperation and mutual respect, in connection with the development of the Montrose Property. In connection with the MOU, Explor issued a total of 1,000,000 common shares to the First Nations.

Location

The claims comprising the Montrose Property are located in the southern part of Montrose Township and the northern part of Midlothian Township, approximately eight kilometres northwest of the town of Matachewan and 64 km west of the city of Kirkland Lake, Ontario. Excellent access is provided by highway 66 from Kirkland Lake.

The Montrose Property is contiguous to the North and East of the former producing Stairs Mine Property where widespread alteration, generally within sediments, occurs proximal to felsic volcanic contacts. Alteration consists of wide zones of carbonate/pyrite alteration +/- silicification and can obtain widths up to 100-200 m with more intense internal zones of sericite alteration and green mica alteration within the broad carbonate alteration. Gold values are found most commonly with quartz ankerite veins but can also occur in massive sulphide veins, chromic-pyrite veins and sericite alteration.

The Stairs Mine Property was explored from 1909 to 1964 by several groups including Sherwood Gold Mines, Sylvanite gold mines, Riocanex and Stairs Exploration and Mining Company. From 1964-66, Stairs Exploration developed a 700-foot shaft and completed 6,226 feet of lateral development on five levels. Production from a small gravity mill recovered 2,764 oz Au and 1,318 oz Ag from 11,952 tons milled. In 1983, a further 266 oz Au was recovered from 2,700 tons of tailings. The OGS states a "current reserve of 41 ,000t @ 30.2 g/t Au with a probable reserve of 81,000 t @ 8.57 g/t Au" (EMRC-1986 and non-current 43-101 compliant).

The eastern and northern portions of the Stairs Mine Property is contiguous with Explor’s Montrose property has been extensively explored and includes the Pope vein which was partially mined and also contains the C zone, G-9, Marcasite and Chromic veins which were not developed and trend onto Explor’s ground. The mineralized zone trending from the Stairs Mine is 600 m in length and alteration reaches >200 metres in thickness with widespread gold values.

Work by Explor

The property has been re-evaluated based on a new geological interpretation of the location of the main fault structure trending north from the Stairs Mine onto Explor’s ground. A major ground geophysical program was completed in 2016 consisting of line cutting which was followed by Mag,VLF and IP. The program revealed several targets that emanated off the major fault structure that runs through the property in a North-West – South-East direction. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

KIDD TOWNSHIP (ONTARIO)

History

The Corporation, from 2007 to 2017, entered into fourteen different agreements for the acquisition of 32 claims and four patented claim (158 units) located in the Kidd, Carnegie, Wark, Prosser and Murphy Townships, Mining Division of Porcupine, in Ontario, forming part of the Kidd Township Property. The Corporation paid a total amount of $107,000 and issued a total of 4,020,000 common shares to acquire these claims and the vendors have retained a 2% and 1 % NSR royalty on these claims.

In February 2016, the Corporation announced that it has signed a Memorandum of Understanding (“MOU”) with the Matachewan First Nation of Matachewan, Ontario and the Mattagami First Nation of Gogama, Ontario (the “First Nations”), with respect to the Kidd Township Property. The MOU will serve as a framework to govern the relationship between Explor and the First Nations in accordance with their intention of further building a relationship characterized by cooperation and mutual respect, in connection with the development of the Kidd Township Property. In connection with the MOU for the Kidd Property, Explor issued a total of 1,000,000 common shares to the First Nations.

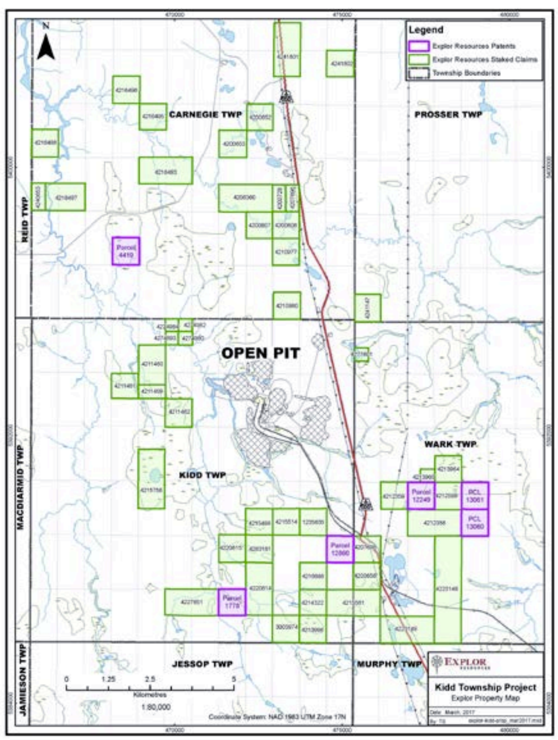
Location

The Kidd Township Property now covers an area of approximately 2,934.7 hectares which is located 1.5 kilometre south east of the open pit and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Hwy 655 which passes through the middle of the property.

Work by Explor

A first phase of a diamond drilling program was completed by Explor in the fall of 2008, consisting of four diamond drill holes to test geophysical targets south of Open Pit, in an area believed to be predominantly a sedimentary environment. Felsic and metasediments were intersected in all those holes. Highlights include a 1.1-meter section of massive to semi-massive pyrite intersected in Hole #3 down hole at 339.0 to 340.1 meters. Anomalous values of Cu, Zn and Pb were intersected in three of the four holes ranging from 100 to 200 ppm Cu, 330 ppm Zn and 780 ppm Pb in Hole #2. Hole #3 intersected 175 ppm Cu and 906 ppm Zn over 1.5 m.

The analysis of the 2011 drill results, the MEGATEM survey, the VTEM survey and previous historical drill results has confirmed that a major fault structure crosses the Northeastern corner of claim block 4211459. This fault structure and Explor's claims are shown on the attached plan. Both the Open Pit and the Chance deposits are located within this fault structure that crossed the Northern part of the claim block. The drill holes completed by Explor did not detect alteration patterns indicating proximity to hydrothermal venting, however Explor did core sulfide rich flow breccias and coarse pyroclastics, which are indicative of a volcanic mound and nearby venting, favourable area for the deposition of massive sulfides.



Geological modelling for the deposition of marine volcanogenic massive sulphides proposes that hydrothermal venting usually occurs along a deeply rooted fault "growth fault"**.** Hydrothermal venting and sulphide deposition can occur in multiple locations over many kilometres along such faults, resulting in a "string" of massive sulphide deposits (i.e. Noranda and Mattagami mining camps). Assuming that the Kidd Creek and Chance deposits lie along such a growth fault, the projection of this fault crosses the northern portion of claim 4211459 in the area of VTEM anomalies C1 and C2, as well as the isolated MEGATEM anomaly which lies nestled in between.

Exploration drilling completed by Explor to date has revealed a Major Fault Structure running to the west of the Glencore Kidd Creek Mine in a NW-SE direction. A thorough review of all existing geophysical data appears to support these findings. Drilling by Falconbridge in 1998 to the southeast of the Glencore Kidd Creek Mine (Hole # K26-01) returned 4.7m in which 4 of the 5 samples returned Zinc values from 4200 – 8900 ppm and Copper values that ranged from 700 – 2280 ppm. The Magnetic Anomaly associated with these results appears to continue onto Explor's property holdings. A series of untested AEM (Airborne Electromagnetic) conductors detected on the Kidd Township Property to the west, south and southeast of the existing Kidd Creek Mine clearly warrant further investigation.

The 2016 Kidd-Carnegie drill program was successful in that it intersected many of the ore bearing lithological units and marker horizons as within the Open Pit Mine. As well, the intersection of 4024 & 15,500 ppm Zn (over 1.1 & 1.0 meters respectively) within cherty tuffs and cherty-exhalite was very encouraging and suggests that both claim blocks may host a Kidd Creek Style Copper- Zinc deposit. The presence of exhalite-chert units in two of the holes is very significant in terms of exploration. Generally, exhalite-chert is proximal to a VMS deposit. This is the first time in 10 years of exploration around the Kidd Creek mine site that exhalite-chert has been intersected.

In the fall 2016/winter 2017, Crone Geophysics conducted down hole geophysics. A sodium depletion study was completed due to the presence of exhalite in two of the holes drilled on the property north of the mine. Results are positive, the core from Holes KC-16-03 and KC-16-04 was found to be significantly sodium depleted. This indicates we are proximal to the event horizon.

The 2017 diamond drill program in Carnegie Township as initiated by Explor from January to March, 2017 was successful in drill testing several magnetic and electromagnetic conducting targets as well as structures within claims 4210980 and patent 4419 with holes KC-17-07, KC-17-08 & KC-17-09. Although no economic zinc, copper, lead or gold values were encountered, this phase of diamond drilling has shown the presence of silica and sericite altered coarse felsic pyroclastics, sulphides, graphitic exhalative horizons and anomalous Zinc values commonly found associated with world class type of VMS deposit similar to the Kidd Creek deposit located immediately to the south.

To date, the East-West extent of the EM conductors in Carnegie Township has not been fully drill tested. As well, the intersection of sericite & silica altered coarse pyroclastics, exhalative horizons, mafic fragmentals, graphitic material and sulphides within KC-17-07, KC-17-08 & KC-17-09 suggests close proximity to vent system similar to that found in the Kidd Creek mine. **Therefore, the next phase of diamond drilling should concentrate on the East-West extent of the electromagnetic feature in claim 4210980 east and west of the 1.5% (15000 ppm Zn) in Hole KC-16-03.**

The intersection of moderately to strongly silica and sericite altered pyroclastic, graphitic argillite and exhalative horizons in Hole KC-17-09 within patent 4419 strongly suggests proximity to a vent system similar to that found in the mine to the south east. Therefore, a modest drill program focused around Hole KC-17-09 and along the NW-SE structure may uncover a zinc, lead & copper deposit. Explor plans on raising capital and drilling 1 to 2 holes to the east of our 1.5% Zinc intersection.

GOLDEN HARKER (ONTARIO)

History

The Corporation, from 2010 to 2012, entered into two different option agreements to acquire a 100% interest in 16 mineral claims (16 units) located in Harker Township, in the Larder Lake mining division, district of Cochrane, Ontario. Explor paid a total of $33,000 and issued 400,000 common shares to acquire these claims. There is a 2% NSR royalty on the property.

Location

The Golden Harker Property is located south west of the St. Andrew Goldfield's Holt McDermott Mine property and their Holloway Mine property. Several other smaller deposits in the Harker-Holloway gold camp and in the vicinity of the Golden Harker Property include the Buffonta, Mattawasaga and East Zone deposits.

The Golden Harker Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults (including the Ghost

Mountain fault) that splay from the Porcupine-Destor-Fault Zone (“PDFZ”). The PDFZ is a major deformation zone that crosses to the north of the claims through Harker Township. Proximity to the PDFZ, the Kirkland-Lake - Larder Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt.

PG 101 (ONTARIO)

History

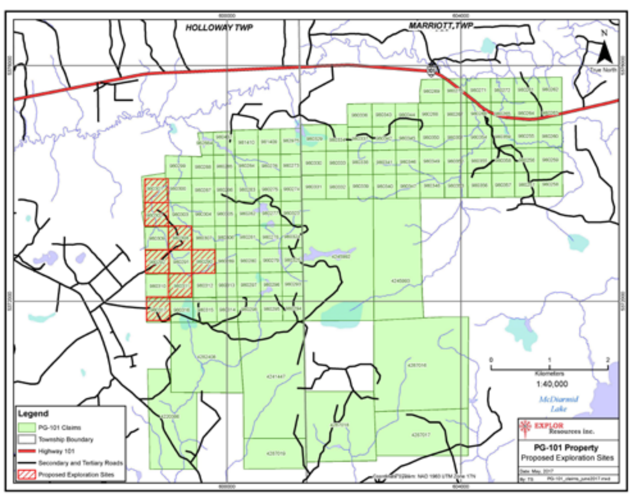
In December 2008, the Corporation entered into an option agreement to acquire a 50% interest in a 101 mineral claims package totalling 1,626 hectares, situated in Holloway and Marriott Townships in the Larder Lake mining division, district of Cochrane, Province of Ontario. To acquire this 50% interest, the Corporation has paid $300,000 and issued 1,000,000 common shares over the three-year option period. Explor has the right at any time to increase its interest to 70% by the payment of $1,000,000.

From May 2009 to May 2017, the Corporation entered into three different option agreements to acquire a 100% interest in 84 additional units (8 claims) situated in the Marriott and Holloway Townships. In consideration of this acquisition, the Corporation paid a total of $47,000 and issued a total of 1,000,000 common shares. There is a 2% NSR royalty on the PG 101 property.

Location

The PG 101 Property is adjacent to the eastern boundary of St. Andrew Goldfields’ former producing Holt Mine property and only a few kilometers east of their Holloway Mine property.

The PG 101 Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults that splay from the Destor-Porcupine fault zone (“DPFZ”). The DPFZ is a major deformation zone that crosses along the north boundary of the PG 101 claims in Marriott Township. Proximity to the DPFZ, the Kirkland-Lake - Larder-Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt.



Work by Explor

In 2008-2009, Explor completed a drilling program on the PG101 Property. Hole PG101-09-01 tested a strong IP anomaly in the area of a regional east northeast trending graphitic shear. Hole PG101-09-02 was drilled on the same structure 400 meters to the southwest.

Hole PG101-09-01returned an intersection of 52.01 g/tonne gold over a core length of three meters (equivalent to 1.843 oz/ton over 9.84 feet) in an altered high iron basalt with quartz-carbonate veining as well as several other intersections presented in the following table.

The results from the drilling indicate that the strike-slip structures that are at or near the contact between Iron-Rich and Magnesium-Rich basalts and contain graphitic material have a high potential for gold mineralization. Located along strike to the southwest are several other areas where a cross fault intersects the southwest trending structure. Within the northern area of the property, there are numerous reported strike-slip fault structures that are along strike from the Holt Mine of St. Andrew Goldfields that would constitute an area of interest.

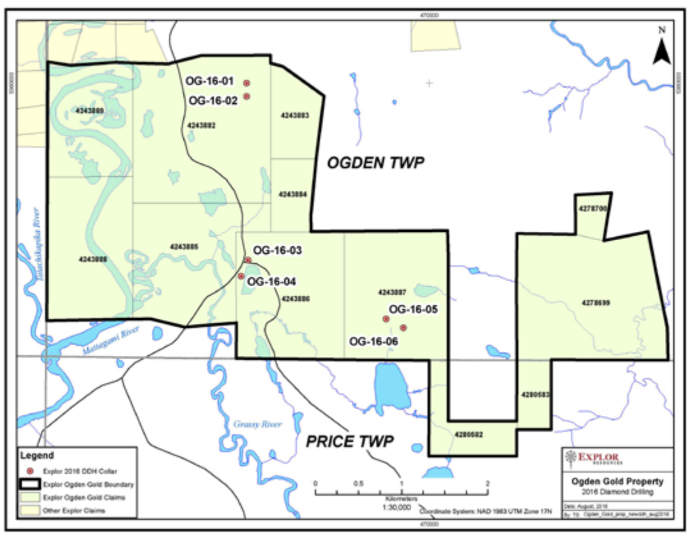
The Corporation has completed a deep penetrating IP geophysics survey on this property on the fall of 2016. Several deep targets have been found that appear to trend from St Andrew's Goldfields property onto Explor's mining claims. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

<u>OGDEN PROPERTY (ONTARIO)</u>

History

The Corporation, from December 2014 to December 2017, entered into seven different option agreements to acquire a total of 23 mining claims (118 units) and seven patented claims situated in the Porcupine mining division, district of Cochrane, in the Ogden and Price Townships, Ontario. Explor Resources Inc. paid a total of $117,000CDN and issued a total of 5,060,000 common shares to acquire a 100% interest in the Ogden Property. There is an existing 2% NSR on part of the property and a 2% Gross Overriding Receipts (GOR) royalty on all diamonds extracted from some of the claims. There is also a 2% NSR royalty on the property.

The most significant deposits in Timmins are spatially associated with porphyry units that are in proximity to the Porcupine Destor Fault. The deposits appear to be also associated with splay faults that trend off and to the North of the Porcupine Destor fault inside an interpreted splay fault corridor.



The property consists of 23 mining claims (118 mining claims units) and 7 patented mining claims covering 2,006.56 hectares located in the Porcupine Mining Division, in the Cochrane District, in the Ogden and Price Townships, Ontario. These claims are contiguous and east of the Corporation's Timmins Porcupine West Property (the TPW Property"). The Timmins Porcupine West Project has as a Target Model "The Hollinger-McIntyre-Coniaurum System." The Hollinger-McIntyre-Coniaurum (HMC) System has produced a total of over 30 million oz of gold is spatially associated with the Pearl Lake Porphyry. The high-grade gold bearing quartz veins which hosted the bulk of the gold at the HMC occurred in the adjacent mafic volcanics, located outboard from the porphyry itself.

In March 2016, the Corporation announced a 3,000-meter diamond drilling program on the property. This diamond drill program concentrated on geophysical targets as identified by Explor's recent ground geophysical survey and IP work conducted by Inmet and Knick Exploration. Analysis of existing geophysical data along with Explor's recently completed work has revealed a major geological structure similar to the one located on Explor's Timmins Porcupine

West Gold Property. It would appear to be a continuation of the Bristol Porphyry on the other side of the Mattagami River fault. Previous reconnaissance exploration work by Inmet Mines defined several induced polarization anomalies (1997) and these are incorporated with recent I.P. survey data as the surveys were completed by the same service company and all original data has been acquired by Explor Resources.

The property has been previously explored by Hollinger Mines, Tex-Sol Exploration, Inmet Mining Corporation, Amax Mineral Exploration, Noranda Exploration and Knick Exploration. The majority of the holes drilled by previous operators were less than 100 meters in length. Historically on the Ogden Property, the only hole that hit significant mineralization was a diamond drill hole by Tex-Sol Exploration in 1965 which returned 6.0 g/t Au over 9.1 m at a shallow depth. On the TPW Gold Property significant mineralization was intersected below 300 meters of vertical depth requiring drill holes of 500 to 600 m in length.

The following results were obtained from this first drilling campaign:

Hole #OG-16-02 intersected 2.06 g/t Au over 1.50 meters from 154.5 to 156.0 meters

Hole #OG-16-05 intersected 1.99 g/t Au over 1.80 meters from 438.0 to 439.8 meters.

Explor plans on analyzing the 2016 results in context with the geological information obtained with this preliminary program. A geophysical program has been completed and targets have been defined. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

TIMMINS PORCUPINE WEST (ONTARIO)

History

The Corporation, from July 2009 to March 2012, entered into five option agreements pursuant to which it acquire a 100% interest in a total of 120 claims, 3 patented claims and 3 parcels of mining lands situated in the Bristol and Ogden Townships located in the famous Timmins-Porcupine mining camp within proximity to past and existing producers. Explor paid a total of $295,000 and issued a total of 7,250,000 common shares to acquire a 100% interest in the Timmins Porcupine West Gold Property. Some of the claims are subject to a 3% NSR and some vendors retained a 2% NSR on some of the claims.

In June 2013, the Corporation announced that it has signed a Memorandum of Understanding (“MOU”) with the Fling Post First Nation of Nipigon, Ontario and the Mattagami First Nation of Gogama, Ontario (the “First Nations”), with respect to the Timmins Porcupine West Property. The MOU will serve as a framework to govern the relationship between Explor and the First Nations in accordance with their intention of further building a relationship characterized by cooperation and mutual respect, in connection with the development of the Timmins Porcupine West Property. In connection with the MOU for the TPW Property, Explor issued a total of 1,000,000 common shares to the First Nations.

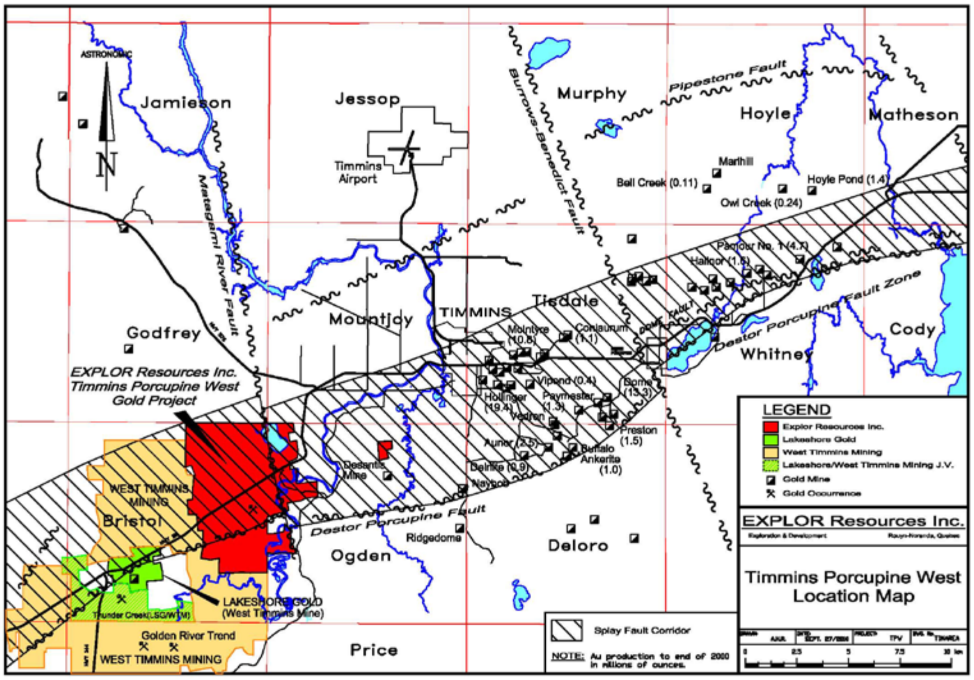
In December 2014, the Corporation entered into an option agreement with Teck Resources Limited (“Teck”) for the Timmins Porcupine West Property whereby Teck could earn up to a 70% interest in the TPW Property. Explor granted Teck the option to acquire an initial 55% interest in the TPW Property (the “First Option”) which Teck might have exercised by incurring an aggregate of CDN$8,000,000 in committed and optional expenditures by May 1, 2019 (the “due date”). In the spring of 2017, Teck decided to terminate the option agreement on the TPW property. Teck did not earn any interest in the property and Explor still holds a 100% interest in the TPW property.

Location

The Timmins Porcupine West Property consists of 185 unpatented mining units and 3 patented mining claims located in the Bristol and Ogden Townships in the Timmins-Porcupine Mining Camp for a total 3,200 hectares as shown on the attached property map. The property is contiguous with West Timmins Mining Inc. (WTM) where WTM intersected 83.40 meters (273.55 feet) grading 12.75 g/t (0.37 oz/t) on their property. (WTM Press Release June 24, 2009) The highway 101 bisects the property and provides access from the city of Timmins located 13 km to the east.

The property has been explored since 1927 by numerous ground geophysical surveys and diamond drilling of up to 111 holes. In 1984, Dome Exploration discovered and delineated a gold mineralized zone that is approximately 350 meters long and 45 meters wide. The zone strikes east northeast and dips to the north at 70 to 80 degrees. Drill programs by Teck Corporation, Cameco Gold and Tom Exploration Inc., have extended the mineralization to 350 meters of depth. The gold mineralization to date appears to be associated with a major porphyry unit.

The most significant deposits in Timmins are spatially associated with porphyry units that are in proximity to the Porcupine Destor Fault. The deposits appear to be also associated with splay faults that trend off to the north of the Porcupine Destor fault inside an interpreted splay fault corridor as shown on the attached plan.



Work by Explor

The existing historical data has been used to create a 3D litho and mineralization model which has generate high quality deep drill targets from the significant shallow gold mineralization inside the splay fault corridor favourable rock package.

The modelling confirms the association of gold mineralization with Quartz feldspar (QFP) and syenite porphyry, found at both the Lakeshore and West Timmins Properties. The modelling has revealed a geo-synclinal structure with a north and south limb with the majority of the drilling to date has been focused on the south limb of the geo-syncline in two mineralized zones. The “A” Zone identified through modelling strikes east northeast and dips to the north at 70 to 80 degrees. The drilling has confirms the association of gold mineralization with Quartz feldspar (QFP) and syenite porphyry, found at both the Lakeshore and West Timmins Properties (now owned by Tahoe Resources Inc.) Five mineralized zones designated “A” thru “E” have been identified. The larger zones of mineralization display a strong spatial relationship with proximity to syenite intrusive rocks and high Fe-tholeitic volcanic rocks. The model may be viewed on our website: www.explorresources.com.

Over the years, Explor completed several phases of drilling. For more information on the previous drill campaigns, please refer to prior Annual MD&A, available on the web site of the Corporation and on SEDAR under the Corporation’s profile.

On August 27, 2013, the Corporation released a new estimate of the mineral resources on the TPW property:

Open Pit Mineral Resources at a 0.30 g/t Au cut-off grade are as follows:

Indicated:	**213,000 oz (4,283,000 tonnes at 1.55 g/t Au)**
Inferred:	**77,000 oz (1,140,000 tonnes at 2.09 g/t Au)**

Underground Mineral Resources at a 1.70 g/t Au cut-off grade are as follows:

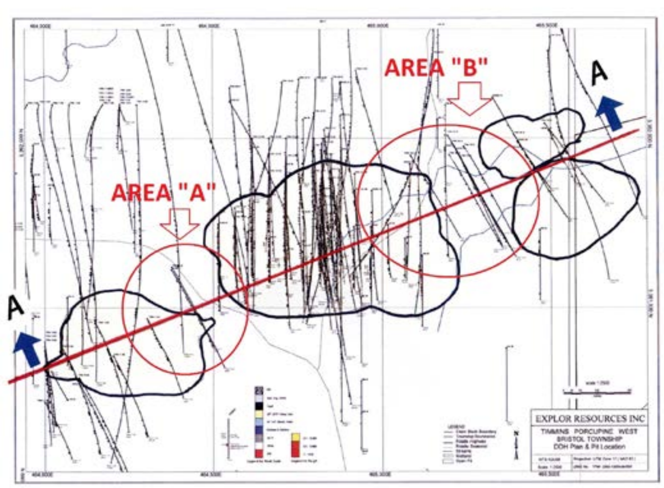
Indicated:	**396,000 oz (4,420,000 tonnes at 2.79 g/t Au)**
Inferred:	**393,000 oz (5,185,000 tonnes at 2.36 g/t Au)**

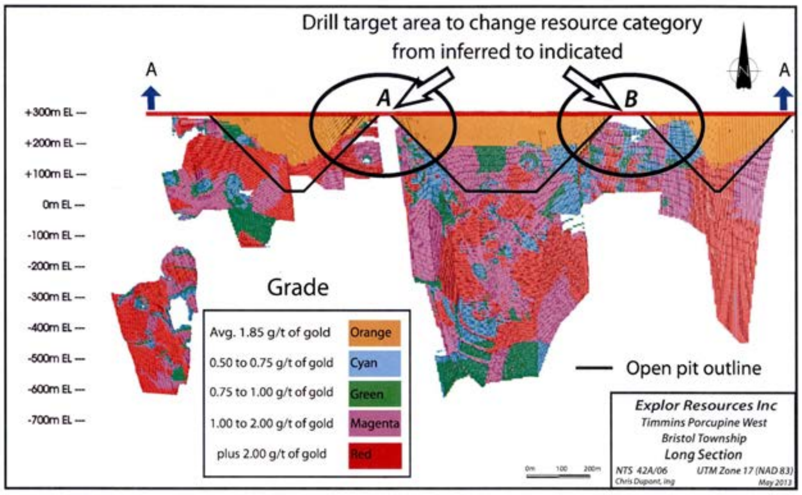
It should be noted that the drilling to June 30, 2013 has yielded **an increase of 104% in Indicated ounces and 190% increase in Indicated tonnes over the December 2012 resource**. Additional near surface planned drilling is expected to further increase the potential open pit-able resource.

Explor retained P&E Mining Consultants Inc., ("**P&E**") being an independent firm in respect of the Company, to prepare a technical report (the "**Technical Report**") on the Timmins Porcupine West Property, entitled "Technical Report, Explor Resources Inc., Timmins Porcupine West Property, Bristol & Ogden Townships, Ontario", in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("**NI-43-101**"). Eugene Puritch, P.Eng., Richard Sutcliffe, P. Geo., Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo. of P&E Mining Consultants Inc., ("**Authors**") all being qualified persons under NI-43-101, are the co-authors of the Technical Report dated July 1, 2013. The Technical Report was filed on August 29, 2013 under the Company's profile on the SEDAR web site at www.sedar.com.

As of the date of this MD&A, the Corporation is of the opinion that there has been no material change in the information concerning the Timmins Porcupine West Property since the date of the Technical Report. The Technical Report was prepared in compliance with Form 43-101F1 —Technical Report of the Canadian Securities Administrators and is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which is available for review under Explor's profile on SEDAR at www.sedar.com.

The DDH and Open Pit Plan view show the location of the three potential Open Pit areas that are located over an 1800 meter strike length and 250 meters of depth. The most recent completed Diamond Drilling Program was concentrated in the eastern end in proximity to and in Area "B" in order to increase the near surface resource and connect the eastern portion of the potential open pit areas.





It is important to note that the strike length of the gold mineralization is greater than 2000 meters at depth. The continuity of mineralization continues to be confirmed, and the structure remains open on strike and at depth. Explor has intersected gold mineralization in 121 out of 126 holes drilled to date and 64 out of 65 wedges. **The Diamond drill Program most recently completed was designed to test the continuity of the near surface gold mineralization as it relates to a potential open pit and to test the interpretation that Shear Zone #5 extends from the west deep high grade zone to the lower grade near surface gold bearing zone.**

A total of 3,163.4 meters were drilled to expand and update the open pit potential of the TPW property of Explor Resources by intersecting North-east-South-west trending Shear Zone #5 that was originally discovered in Hole #TPW-13-101 completed in the 2013 drill program.

The drill program was successful in intersecting Shear Zone #5 in four (4) holes with 14 gold values as well as intersecting an additional 14 gold values from 3 holes drilled in previously untested areas of the mineralized strike length. The addition of 28 gold values ranging from 1.06 to 7.3 g/t Au over 1.5 meters within the proposed open pit area clearly shows the extent and potential of this zone.

In summary, holes #TPW-17-101EX, #TPW-17-102-EX, #TPW-17-103EX and #TPW-17-104EX intercepted Shear Zone #5 with 14 gold values ranging from 1.06 to 7.3 g/t gold over 1.5 meters. As well, new fill in holes #TPW-17-124, #TPW-17-125 and #TPW-17-127 in Area "B" intersected 14 gold values from 1.1 to 5.1 g/t Au over 1.5 meters, mostly from east-west trending Shear Zones #1 to #4.

More importantly, Holes TPW-17-101EX, TPW-17-102EX and TPW-17-104EX intercepted gold values from a previously undetected east-west trending shear which has now been interpreted as Shear Zone # 6.

The spring 2017 drill program to increase the potential of the proposed open pit on the TPW property of Explor Resources was successful as it:

1) **Confirmed our interpretation of the location of Shear Zone #5** and more **importantly the diamond drilling.**
2) **Revealed a gold mineralized Shear Zone to the south of Shear Zone #5 that we now call Shear Zone # 6.**

In May 2018, Explor announced the completion of Preliminary Metallurgical Testing on the low grade near surface gold ore on the Timmins Porcupine West Property. Explor selected a representative sample from diamond drill holes in the area of the potential open pit. A 45 kilogram composite sample of mineralized diamond drill core was sent to SGS Minerals Services in Lakefield, Ontario for metallurgical test-work.

The test program included sample preparation, characterization, and flowsheet development testing. Ore characterization included grindability, mineralogy by QEM-RMS (QEMSCAN) rapid mineral scan, and chemical head grade analysis. Flowsheet development testwork focused on gravity separation, as well as flotation and cyanidation of gravity separation tailing.

In summary, the composite sample was analyzed by a screened metallics protocol and resulted in a head grade of 2.64 g/tonne gold. Testing indicated very little silver and negligible arsenic in the composite sample. It was noted that most of the sulphide sulfur was present as Pyrite (3.07%), Chalcopyrite (approximately 0.12%) and Pyrrhotite (0.02%). The Bond Mill work index was determined to be 13.1 Kwh/tonne. A gravity test was conducted and it was determined that the 37.5% of the gold exists as microscopic free gold, indicating that in any future mill design a gravity circuit will be necessary at the front end of the concentrator. Flotation testing indicated that up to 93% of the gold can be recovered as a pyrite concentrate. Cyanide leach test were conducted on the pyrite concentrate and greater than 94% gold extraction was achieved over a 24 hour period. The gold is not refractory and is not locked within the pyrite. A testing of the tailings product (ABA and NAG testing) indicates that there is no potential for acid generation in the flotation tailings material.

The highlights of the reported test-work includes the following results:

- Gold analysis by screened metallics protocol at +/-150 mesh (106 μm) yielded a head grade of 2.64 g/t Au with >20% of the gold in the coarse fraction indicating favorable recovery by gravity.

- Silver reported at less than the AAS detection limit of +/-0.5 g/t while sulphide sulphur, total carbon and arsenic were assayed at 1.48%, 0.7% and <0.001%, respectively.

- Based on the semi-quantitative QEM-RMS analysis, most of the sulphide sulphur was present as pyrite (3.07%). Chalcopyrite was the second most abundant sulphide mineral at ~0.12% and pyrrhotite was third at 0.02%.

- The Bond ball mill grindability test results indicated that the ore fell in the low medium range of hardness, at 13.1 kWh/tonne. The ore fell at the 36^{th} percentile compared to the SGS database.

- In a batch gravity separation test completed, gravity gold recovery to a low mass concentrates (~0.04% of the feed mass) yielded a gold recovery of 37.5% at a primary grind size P80 of ~130 μm. These initial results suggest a high probability of significant potential for the use of gravity circuit at the front end of the mill. Additional gravity separation testwork is recommended in any future studies.

- Rougher flotation tests on gravity separation tailings indicated that gold recoveries in the ~93% range (including the gold recovered by gravity separation) were achievable in ~5% mass pull at a P80 of ~130 μm. There appeared to be an improvement in gold recovery with finer grinding (to P80 = 59 μm).

- Additional testing will be required to optimize the primary grind size for optimal rougher flotation performance. Additional test work is recommend, examining the cleaning characteristics of the rougher concentrate. It may be possible to generate a cleaner flotation concentrate approaching 50 g/tonne Au, compared to the ~30 g/t generated preliminary metallurgical in the preliminary rougher flotation testwork. Locked cycle flotation testing is also recommended to establish a more realistic understanding of potential gold recovery in closed-circuit in a flotation plant.

- Cyanide leach tests examining the impact of grind size on gold recovery from the gravity separation tailings indicated gold extractions >94% (including gravity separation gold recovery) at P80's of 74 μm or finer. Although the gold appears to be associated with pyrite and floats well with pyrite, it is not refractory and locked in the pyrite. Gold leaching appeared to be essentially complete within 24 hours.

- Further testing to optimize cyanide leach parameters is recommended. This testing should address the optimization of feed particle size, leach retention time, pulp density, and cyanide dosage. This testing should encompass leaching of both whole ore (gravity tailings) as well as float concentrates. Subsequent work is recommended to evaluate the gold recovery circuit (CIP or CIL) and establish preliminary design criteria.

- Baseline environmental evaluation (ABA and NAG testing) of a tailing representing a gravity +rougher flotation flowsheet indicated there is no potential for acid generation in flotation tailings material.

Explor plans a new phase of diamond drilling to expand the potential open pit resource and facilitate the analysis of potential open pit mining at the TPW Property.

HOYLE (ONTARIO)

History

In March 2018, the Corporation entered into an option agreement to acquire eight mining claims (64 claims units) located in the Hoyle Township, in the mining division of Porcupine, district of Cochrane, in the Province of Ontario. To acquire a 100% interest in the property, the Corporation paid $1,000 and issued 3,000,000 common shares.

Location

The Hoyle property is located in the Hoyle Township, in the Porcupine Mining Division, District of Cochrane, Province of Ontario, north of Bell Creek, Owl Creek and Hoyle Pond gold Mines. Highway 101, south of the property, provides excellent access to the property and to the city of Timmins. The Property consists of 8 claims (64 claim units) and represents a total of 1036.4 hectares.

With this acquisition, Explor's strengthens its position as a gold exploration company in the Timmins Mining Camp. Gold mineralization was first discovered in Hoyle Township on the Bell Creek Mine property between 1980 and 1982 by a joint venture between Rosario Resources Canada Ltd. ("Rosario") and Dupont of Canada Exploration Limited ("Dupont"). The Bell Creek Property was subsequently acquired by Canamax Resources ("Canamax"). Canamax explored and developed the Bell Creek Mine between 1986 and 1991. Falconbridge Gold Corporation ("Falconbridge") acquired and operated Bell Creek Mine from 1991 to 1992, followed by Kinross Gold Corporation ("Kinross") until mine closed in 1994. In 2007, Lake Shore Gold Corp. ("Lake Shore") entered into an agreement with Porcupine Joint Venture ("PJV") to acquire the Bell Creek Mine and Mill Complex. Tahoe Canada is its current owner having acquired Lake Shore. The current measured and indicated resource of the Bell Creek mine is: **Measured and indicated 4,685,999 tonnes at 4.72 g/t Au** and inferred **6,080,000 tonnes at 4.62 g/t. Au.**[1]

The Owl Creek Mine was discovered by Inco Limited ("Inco") in 1973 approximately 3.2 km from the Kidd Creek Concentrator and Smelter Complex. Drilling and geological surveying which were undertaken, resulted in a number of gold assays that averaged 0.22 ounces of gold (Au) per ton. The Owl Creek Mine was placed on hold for the next few years before an optioning agreement was made in 1980 between Texas Gulf Canada Limited ("Texas Gulf") and Inco to explore the gold property. A joint venture was established to conduct underground exploration and bulk sampling on a 60%-40% basis. Diamond drilling that was completed along a strike of 400 feet indicated an average grade of 0.22 ounces of gold (Au) per ton in 5 holes over an average width of 10 feet. Gold assays that were pick up from drilling also ranged from 0.15 ounces of gold over 15 feet to 0.27 ounces of gold over 9 feet. An Open Pit was established and Texas Gulf reported that about 200,000 tonnes of ore were mined which an average of 5 g/t gold, or 0.145 ounces of gold (Au) per ton. The Owl Creek mine was later acquired by Falconbridge in 1986 when it acquired Texas Gulf. Of note, hole # H13-34 returned an average assay of 0.18 ounces of gold per ton over 173.9 feet. In addition to this, it also included a 78.7 ft interval averaging 0.32 ounces of gold per ton (Au). Other reports stated that the Owl Creek West Project is commonly known to be opened along strike, and both up dip, and down dip. The Owl Creek mine was subsequently acquired by Goldcorp.

The Hoyle Pond Mine located to the east of the Owl Creek mine was discovered in 1969 and produces free milling gold with a grade of up to 17.8 g/t by gravity and flotation. The gold ore is found in 2 to 3 quartz carbonate veins steeply dipping to the north east. In a press release dated July 26, 2017, Goldcorp stated that "at Hoyle Pond, 4,666m of core drilling was completed to further test the down plunge mineralization of the S veins. Drilling results showed some grade variability, but an overall extensive high grade ore plunge. Extending the ore plunge across the diabase dyke to the east was a goal of the exploration team for the second quarter. The two deepest intersections on the S1 vein at 1,860 m level returned intercepts of 72.2 g/t over 1.5m and 40.3 g/t over 1.7m (true width). Both intercepts revealed brecciated, multigenerational quartz veins with visible gold concentrated along the footwall contact. More typical intercepts would range closer to 20.9 g/t over 1.2m, with varying widths of up to 4m (true width)". During

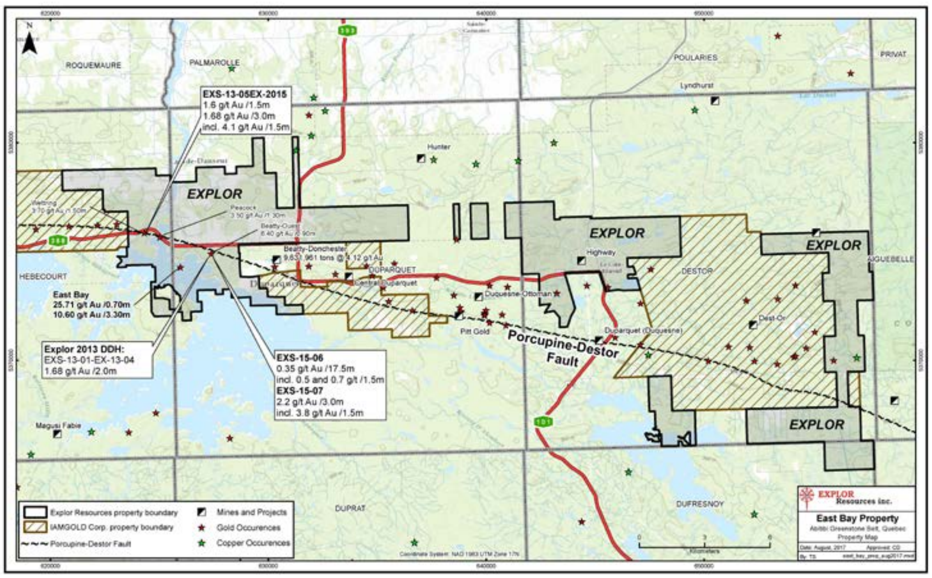
[1] Based on a NI 43-101 technical report entitled "*Ni 43-101 Technical Report, Updated Mineral Reserve Estimate for Bell Creek Mine, Hoyle Township, Timmins, Ontario* " prepared in March 2015 by Eric Kallio, P. Geo., and Nastasha Vaz, P. Eng. and filed on SEDAR.

the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects. The Corporation has decided to abandon the claims of this property.

EAST BAY (QUEBEC)

History

From December 2006 to April 2018, the Corporation entered into fourteen option agreements to acquire a total of 327 claims of the East Bay Property, situated in the Duparquet, Hébécourt, Destor and Dufresnoy Townships, in the Rouyn-Noranda mining camp, Province of Quebec, for a total consideration of $68,500 and issued a total of 1,691,429 common shares. There are a 1% and a 2% NSR royalty on the property.



Location

The East Bay Property now consists of 347 claims located in the Duparquet, Hébécourt, Dufresnoy and Destor Townships, representing a total of 11,005.90 hectares, located near the town of Duparquet. Excellent access is provided by a paved road that connects Highway 101 from Matheson, Ontario to Rouyn-Noranda, Quebec to the property at approximately two kilometres off the highway.

Work by Explor

Explor has completed a study and a complete compilation of work executed in the past, followed by line cutting, magnetic survey and VLF to determine the localization of structural targets on the property. In July 2013, the Corporation completed a drill program on the property. For more details on the 2013 drill program, please refer to the 2013 Annual MD&A available on the Corporation's web site and on Sedar under Explor's profile.

In July 2015, the Corporation started a new exploration program consisting of a drill program to expand the success of the 2013 exploration program. For more details on the 2015 drill program, please refer to the 2015 Annual Report available on the Corporation's web site and on SEDAR under Explor's profile.

In August 2017, the Corporation announced the beginning of a diamond drill program consisting of 3,000 meters. During the winter of 2017, the Corporation completed a geophysical surveys consisting of airborne mag, VLF and EM by helicopter on the property. This airborne program has defined some very interesting structures on the property.

Explor has recently completed a surface reconnaissance and exploration program where grab samples were taken that graded up to 93 and 100 g/tonne gold.

For more details on the 2017-2018 exploration program on the East Bay Property, please refer to the 2018 annual Report available on the Corporation's web site and on SEDAR under Explor's profile.

With very few drill holes completed so far on the western portion of the property, there is insufficient geological information to clearly understand the complex local tectonics and the anomalous gold zones with confidence. Because of the presence of sheared and altered felsic porphyries and widespread gold mineralization in the ultramafics, the complex tectonic environment, and of very encouraging results, further drilling is highly recommended. In the summer of 2018, Explor completed a ground reconnaissance program and some sampling of outcrops over the eastern part of the property was completed. Results are pending as well as a report from the geologist. An exploration program will be planned on the targets discovered. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

DESTOR (QUEBEC)

History

In February 2007, Explor entered into an agreement to acquire 10 claims situated in the Destor Township in the Rouyn-Noranda mining camp, Province of Quebec. As a consideration for this property, the Corporation paid $5,000 and issued 100,000 common shares and committed itself to realized work for $200,000 prior to December 31, 2009. The Corporation has been granted an extension by the vendor of the property to incur $220,000 in exploration expenses prior to December 2010. In December 2010, the Corporation obtained a second extension of one year to complete the exploration work, i.e. until December 31, 2011 in consideration of the issuance of 50,000 units in favour of the vendor. Each unit was composed of 50,000 common shares and 50,000 Common Share purchase warrants, valid for a period of 24 months at a price of $0.60 per share. The vendors have retained a 2.5% NSR royalty on these claims. Explor has fulfilled its work commitment and now owns a 100% interest in the Destor Property.

Location

The Destor Property is located in the central part of the Destor Township approximately 42 km north of Rouyn-Noranda, Quebec. Excellent access is provided by Highway 393 that crosses the northern part of the property and connects to the town of Duparquet, Quebec. It covers approximately 279 hectares.

Work by Explor

Explor completed a VTEM survey, compilation and analysis of all existing geological information on the property. In January 2011, a 2,500 drill program was completed. Drill Holes EXS-D-11-02, 03 and 05 were directed under or within 100 metres of historic holes which had returned encouraging gold intersections. Drill Hole EXS-D-11-04 was drilled 200 m along the geological projection of an historic drill hole which had returned anomalous gold mineralization. Drill Holes EXS-D-11-01, 06 and 07 were drilled on untested targets.

Drilling was successful in uncovering gold in wide-ranging concentrations from decametre-wide geochemically anomalous zones, to metre-scale intervals of higher grade material.

Though anomalous gold was encountered in all seven drill holes of the program, Drill Holes EXS-D-11-01, 03, 04 and 06 were particularly enriched.

During the summer of 2018, the Corporation completed a ground reconnaissance program on the property and also some sampling of outcrops was completed. Results are pending. A report from the geologist is also pending.

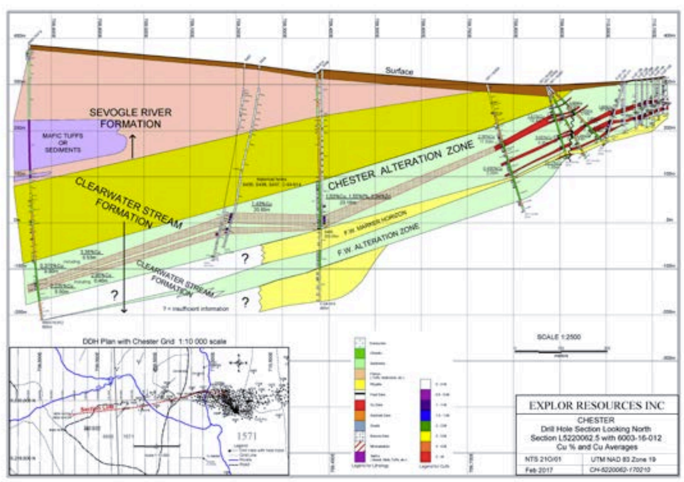
CHESTER (NEW BRUNSWICK)

History

The Corporation, from February 2013 to April 2013, entered into two option agreements to acquire a 100% interest in 114 contiguous claim units located in the Northumberland County, in New Brunswick. To acquire these claims, the Corporation paid a total of $180,000 and issued a total of 7,500,000 common shares. There is a 1% and 2 % NSR on this property.

Explor signed an option agreement in November 2014 with Brunswick Resources Inc. to sell the property. In December 2016, Brunswick returned the Chester Property to Explor because it was not able to comply with the obligations pertaining to the option agreement entered into in 2014.

In February 2019, the Corporation announced that it had entered into an option agreement with Puma Exploration Inc. ("Puma") for the sale of the Chester property. Explor has granted to Puma the sole and exclusive right and option, over a three-year period, to acquire the Property for the following considerations: i) payment to Explor of an aggregate of $300,000, representing $100,000 per year and ii) Puma shall complete a work program of $1,100,000 on the property, with a minimum of $250,000 during the first year of the option agreement, $350,000 the second year and $500,000 on the third year. Upon the completion of these conditions over a period of three years, Puma will have acquired a 100% interest in the Property. Explor will also retain a 2% NSR royalty on the property. Puma will assume the remaining NSR royalties on the Property in favor of previous owners**.**



There has been very little exploration work in this area of the Bathurst Mining Camp (BMC) since the initial exploration more than 60 years ago. Of significance also is the fact that three (3) age date studies of the rock in the area since 2005 have indicated an age of 469+/- 0.3 ma. All of the main largest VMS deposits in the BMC (including BMS #12 and #6, the Caribou Deposit (currently being developed by Travalli) and the past producing Heath Steele Mines, are associated with this age date for the footwall felsic rocks. That new data in 2007 places Explor's Chester deposit is in the same time frame as the Brunswick Mining No. 12 and No. 6 deposits located in the BMC.

In 2014, an extensive ground exploration program was conducted on the Chester property, concentrating mainly west side of the Clearwater Stream in an area that has not been explored since the late 1950's. The purpose was to explore the possibility of finding additional near surface mineralized zones similar to the known Chester Copper and VMS zones since it has already been confirmed (First Narrows 2004 and historical drilling in 1967-68) that the main zone Copper Stringer deposit exists for 500 to 700 metres west of the calculated resource.

New Brunswick is the home of the No 12 massive sulphide deposit (The Brunswick Deposit) which was in continuous production from 1964 to its closure in March of 2013 (to Feb 2013, 135,903,168 tonnes milled at 3.44 %

Pb, 8.74 % Zn, 0.37 % Cu and 102 g/t Ag). The Brunswick deposits (No 6 and No 12) are situated in the Nepisiguit Falls Group of rocks in the Lower Tetagouche group of the BMC. There are 46 known VMS deposits in the BMC.

In 2016-2017, Explor completed a drill program on the property. For results of the drill program and more information on the previous exploration program, please refer to the 2018 annual MD&A report that is available on the Corporation's web site and on SEDAR under Explor's profile.

The **Chester Property** is known to contain both a copper deposit and a VMS deposit. The copper deposit has an Open Pit resource with **Measured & Indicated resource of 1,400,000 tonnes grading 1.38% Cu, 0.06% Zn & 3.5 g/t Ag** and an **inferred resource of 2,089,000 tonnes grading 1.26% Cu** (assayed for Cu only).

Puma Exploration is currently doing geophysical surveys and interpretations on the Property and plans to do a drilling program in the fall 2019. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses to give it a more realistic value of $300,000.

Analysis of the Exploration and Evaluation Expenditures

The Corporation incurred during the year ended April 30, 2019, exploration and evaluation expenses amounting to $118,727 ($1,402,080 as at April 30, 2018).

	ONTARIO							**QUEBEC**
	Timmins Porcupine West	**Kidd Twp**	**Carnegie**	**Ogden**	**PG 101**	**Montrose**	**Hoyle**	**East Bay**
	$	**$**	**$**	**$**	**$**		**$**	**$**
Line cutting	-	-	1,300	6,650	-	-	-	-
Geologists fees	15,352	-	1,100	-	-	-	-	-
Engineering fees	13,500	-	-	-	-	-	-	-
Rent expenses	15,138	2,959	2,959	2,959	2,959	2,959	2,438	299
Geophysical surveys	-	-	15,300	-	-	-	-	-
Analyses	10,550	-	-	-	-	-	-	11,539
General exploration and evaluation expenses	7,501	723	723	471	471	471	406	-
Total	**62,041**	**3,682**	**21,382**	**10,080**	**3,430**	**3,430**	**2,844**	**11,838**

Analysis of Acquisitions, Impairments and Cession of Mining Claims

During the year ended April 30, 2019, the Corporation did not acquire any mining property. However, Explor impaired accumulated exploration and evaluation assets for an amount of $5,975,078.

These amounts represent the costs of impairment during the year ended April 30, 2019.

Properties	**Depreciation**
Eastford Lake	(1,462,854)
Carnegie	(1,022,415)
PG 101	(344,927)
Montrose	(192,577)
Ogden	(944,474)
Hoyle	(125,702)
East Bay	(1,741,067)
Moose Brook	(7,289)
Chester	(133,773)

Royalties on the mining properties are as follows:

PROJECT NAME	ROYALTY	PROJECT NAME	ROYALTY
East Bay	1% and 2%	Destor	2.5%
Carnegie	2%	Timmins Porcupine West	2% and 3%
Eastford Lake	2%	PG-101	2%
Chester	1% and 2%	Golden Harker	2%
Kidd Township	1% and 2%	Launay	2%
Ogden	2%	Montrose/Midlothian	2% and 1%

Person responsible of the technical information
The qualified person pursuant to National Instrument 43-101, responsible of the technical information of the Corporation is Mr. Christian Dupont, P.Eng.

GLOBAL PERFORMANCE OF THE YEAR

In September 2018, the Corporation granted 5,300,000 stock options to directors, officers and consultants of the Corporation. These stock options can be exercised to acquire common shares of the Corporation at a price of $0.05 and expire on September 17, 2023.

In November 2018, the Corporation issued convertible secured debentures for an amount totaling $1,300,000, bearing interest at a rate of 8%. The debentures are secured by exploration and evaluation assets in connection with the Timmins Porcupine West. At the date of issuance, the debt component of these debentures amounted to $1,241,160, representing the present value of interest and principal repayment up to November 28, 2019. The difference between the nominal value of debentures and the debt component amounts to $58,840 and represents the conversion option for an amount of $45,970 and the warrants issued for an amount of $12,870. These amounts have been recorded upon issuance in the equity of the Corporation. The principal of these debentures is convertible, at the option of the holder, into common shares of the Corporation at a price of $0.05 each. Over the term of the convertible debentures, the debt component will be increased to its nominal value of $1,300,000 to provide, for accounting purposes, an actual annual interest expense equal to 12%, representing the estimated interest rate of similar debt instruments which do not have equity components. In connection with this placement, the Corporation issued 13,000,000 warrants. Each warrant entitles its holder to purchase one common share at a price of $0.10 for a period of one year.

SELECTED ANNUAL INFORMATION

The financial statements for the year ended April 30, 2019 were prepared in accordance with the IFRS. All monetary values contained in this MD&A are expressed in Canadian currency.

Significant Financial Data (Audited)

The following table summarizes some financial data presented in the statements of financial position of the Corporation:

YEARS ENDED APRIL 30	2019 $	2018 $	2017 $
Total Assets	30,093,403	36,470,404	35,536,838
Total Liabilities	3,961,635	3,414,498	3,481,694
Revenue	(55,621)	(675)	(32,537)
Net Loss	7,041,278	1,876,472	1,610,084
Net loss per share on a diluted basis	0.04	0.01	0.01

As at April 30, 2019, our total assets amount to $30,093,403 compared to $36,470,404 as at April 30, 2018. Total liabilities are $3,961,635 compared to $3,414,498 in 2018 and are composed of $636,037 ($254,275 in 2018) for accounts payable and accrued liabilities, of $349,060 ($349,060 in 2018) for a provision for penalties and taxes under Part XII.6, of $30,872 ($4,321 in 2018) for the due to directors, of $59,169 ($1,772 in 2018), for the due to related companies; of $2,033,327 ($1,833,180 in 2018) for the debt component of the convertible debentures, $832,714 ($622,409 in 2018) for the current portion of the long-term debt, of $20,456 ($208,381 in 2018) for other liabilities, and of $0 ($141,100 in 2018) for its income taxes and deferred taxes. As at April 30, 2019, the equity is at $26,131,768 compared to $33,055,906 as at April 30, 2018. The Corporation has a guaranteed term deposit reserved for exploration and evaluation for an amount of $57,050 ($56,346 in 2018) in a financial institution bearing interest at a rate of 1.3% (1% in 2018). The Corporation also has a placement of 6,552,807 (6,552,807 in 2018) common shares of Brunswick Resources Inc,, a related mining exploration public company, of a value of $163,820 ($262,112 in 2018).

The Corporation's capital management objective is to have sufficient capital to be able to meet its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient cash to finance the exploration and evaluation expenses, the investing activities and the working capital requirements. There were no significant changes in the Corporation's approach to capital management during the year ended April 30, 2019. The Corporation has no dividend policy.

Summary of Quarterly Results (Non-Audited)

	April 30 2019 $	January 31 2019 $	October 31 2018 $	July 31 2018 $	April 30 2018 $	January 31 2018 $	October 31 2017 $	July 31 2017 $
Total Assets	30,093,403	36,100,693	36,153,594	36,319,241	36,470,404	36,379,508	35,220,329	35,062,578
Total Liabilities	3,961,635	3,929,714	3,754,770	3,196,415	3,414,498	3,085,202	3,185,488	3,310,501
Revenue	(5,621)	(50,000)	-	-	(675)	-	-	-
Net loss	6,170,267	221,157	305,471	344,383	555,427	351,885	628,085	315,895
Net loss per share on a diluted basis	0.04	0.00	0.00	0.00	0.00	0.01	0.00	0.00

Summary of the administrative expenses for the last fourth quarters

	April 30, 2019	January 31, 2019	October 31, 2018	July 31, 2018 $
Taxes and permits	6,184	10,140	88	8,813
Rent expenses	4,500	5,106	4,500	5,304
Office expenses	337	3,299	4,280	9,475
Travelling, promotion and entertainment expenses	51	5,230	4,535	38,211
Insurances	3,225	3,678	3,679	3,679
Registration, listing fees and shareholders' information	15,361	798	10,878	10,690
Consultant fees	95,591	44,463	36,000	80,250
Professional fees	20,846	32,739	100,023	90,741
Amortization of property, plant and equipment	2,780	2,780	2,780	2,780
Share-based compensation	-	-	58,300	-
Interests and bank expenses	1,258	568	242	763
Interests on debentures	71,671	79,397	60,541	92,232
Interests on long-term debt	21,935	-	16,264	-
Transaction costs of debentures recognized	2,405	3,087	3,087	5,151
Part XII.6 taxes and penalties	7,105	253, 657	1,077	-
Impairment of exploration and evaluation assets	5,975,078	-	-	-
Changes in fair value of investments	(32,764)	65,528	131,056	(65,528)
Income taxes and deferred taxes	(150,731)	(173,785)	(803)	(3,706)

a) During the quarter ended April 30, 2019, the consultant fees are higher because the Corporation incur an amount to a firm to promote Explor.

b) During the quarter ended October 31, 2018, the professional fees are higher because the Corporation recorded legal, audit and accounting fees.

c) During the quarter ended July 31, 2018, the travelling, promotion and entertainment expenses are higher because the Corporation did promotion with the financial community.

d) As at January 31, 2019, the Corporation recorded a Part XII.6 taxes for an amount of $253,657.

e) During the quarter ended October 31, 2018, an amount of $58,300 was recorded for the grant of 5,300,000 stock options.

f) As at April 30, 2019, the Corporation impaired accumulated exploration and evaluation assets for a total amount of $5,975,078, taking into account the current financial situation and the very low level of its financial resources.

Statements of Net Loss and Comprehensive Loss for Years ended April 30

Being a mining exploration company, Explor does not generate any regular earnings so in order to survive, the Corporation has to issue capital stock.

Revenues
The recorded revenues are interests received.

The following table summarizes some of financial data presented in the statement of the net loss and comprehensive loss ended for the years ended April 30:

	2019 $	2018 $
Taxes and permits	25,225	16,843
Rent expenses	19,410	22,709
Office rent	17,391	39,633
Travelling, promotion and entertainment expenses	48,027	95,511
Insurance	14,261	4,069
Registration, listing fees and shareholder’s information	37,727	102,720
Consultants fees	256,304	412,841
Professional fees	244,349	350,209
Amortization of property, plant and equipment	11,120	12,576
Share-based compensation	58,300	281,309
Interest and bank expenses	2,831	6,135
Interests on debentures	303,841	420,116
Interest on long-term debt	38,199	36,996
Transaction costs of debenture recognized	13,730	24,275
Compensation paid in relation with good standing of mining claims	-	19,370
Compensation paid to investors	-	7,244
Part XII.6 taxes	261,839	17,257
Impairment of exploration and evaluation assets	5,925,078	-

Expenses

During the year ended April 30, 2019, the loss before tax of the Corporation is at $7,370,303 compared to $1,901,681 as at April 30, 2018. The main changes are:

- In connection with the non-respect of flow-through agreements signed in the past, management of the Corporation recorded a Part XII.6 taxes for an amount of $261,839 ($17,257 in 2018).
- The Corporation recorded an amount of $58,300 ($281,309 in 2018) for the granting of 5,300,000 stock options to directors, officers and consultants of the Corporation.
- The Corporation recorded an amount of $5,975,078 ($0 in 2018) to impair exploration and evaluation assets accumulated during the previous years.
- In relation with the long-term debt of the CRA, management recorded interests of an amount of $38,199 ($36,996 in 2018).

Since the Corporation was not able to finance itself sufficiently during the year ended April 30, 2019, it had to decrease its running expenses considerably. During the year ended April 30, 2019, the most important change is the impairment of exploration and evaluation assets.

CASH FLOWS

During the year ended April 30, 2019, the cash movements linked to operating activities amounted to $273,324 ($1,420,752 in 2018). The net change of the non-cash items of the working capital is $584,897 ($143,196 in 2018).

During the year ended April 30, 2019, the change in investments activities is $89,376 ($627,193 in 2018). The Corporation incurred an amount of $118,727 ($1,483,730 in 2018) in exploration and evaluation assets.

During the year ended April 30, 2019, the net change linked to financing activities is $183,948 ($2,002,945 in 2018). The Corporation recorded $0 ($2,486,005 in 2018) pursuant to the issuance of shares and incurred an amount of $0 ($137,743 in 2018) as share issuance expenses. The Corporation recorded an amount of $100,000 pursuant to the issuance of a new secured convertible debenture ($0 in 2018).

These financing activities are directly linked to the sector of activity of Explor and are in accordance with the plans of management.

FOURTH QUARTER

The fourth quarter closed with a net loss of $6,170,267 ($560,607 in 2018). During the fourth quarter of 2019, the Corporation incurred for $34,617 ($161,319 in 2018) in exploration and evaluation expenditures.

SOURCE OF FINANCING

During the year ended April 30, 2019, the Corporation closed one placement in secured convertible debentures.

In November 2018, the Corporation renewed the $1,200,000 convertible debentures that matured on July 5, 2018. A new debenture of $100,000 was added to the principal amount. The total amount of the issued debentures is $1,300,000 and bear interest at an annual rate of 8%, starting on July 6, 2018. The debentures are secured by exploration and evaluation assets in connection with the Timmins Porcupine West. The principal of these debentures is convertible, at the option of the holder, into common shares of the Corporation at a price of $0.05 each. For each $1,000 debenture, the Corporation issued 10,000 share purchase warrants for a total of 13,000,000 warrants. Each warrant entitles its holder to purchase one common share at a price of $0.10 for a period of one year, up to November 28, 2019.

In July 2019, the Corporation renewed the $767,500 convertible debentures that matured on April 3 and April 10, 2019. Interest due and unpaid was added to the principal amount of the debentures and a new debenture at $50,000 was issued at the same time. The total amount of convertible debentures issued is $945,212. The debentures are secured by exploration and evaluation assets in connection with the Timmins Porcupine West Property, they bear interest at the rate of 8%, and are convertible into common shares at a price of $0.05 per share and will expire after one year. For each dollar debenture, the Corporation issued 10 warrants for a total of 9,452,120 warrants. Each warrant entitles the holder to subscribe one common share at a price of $0.10 per share for a period of one year, up to July 3, 2020.

Since some of its financings completed are composed of flow-through units, the Corporation is obligated to allocate the expenditures as exploration and evaluation expenses. Furthermore, the Corporation realizes common shares financings to pay for its current expenditures. Management is aware that it will have to continue its efforts in order to realize others financings to pursue its projects. Exploration and development of the properties of the Corporation might need in the future more financial resources. In the past, the Corporation has been able to finance itself by private placements and public placements. However, there is no guarantee that it will be able to do it in the future.

OBLIGATION AND CONTRACTUAL COMMITMENTS

The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses (CEE). Refusal of certain expenses by tax authorities would have negative tax consequences for investors. By virtue of past flow-through shares agreements, the Corporation has a cumulative shortfall of CEE of approximately $3,000,000. These amounts had to be spent by the statutory date of December 31, 2014 and of December 31, 2013. The Corporation is also in default for CEE for an additional amount of approximately $2,170,000 that was due to be incurred prior to December 31, 2018. As some exploration and evaluation expenses were not completed within the prescribed deadlines, there is an important financial risk for the Corporation and also an important fiscal risk for the investors.

During the year ended April 30, 2016, the Corporation was subject to an audit by Canada Revenue Agency (CRA) in relation with the legal requirements and the eligibility of CEE. During the year ended April 30, 2017, the CRA issued notices of assessment to the Corporation for an amount of approximately $1,316,000 that the Corporation had to repay in monthly installments of $50,000 pursuant to the agreement. Thereafter, the Corporation stopped making payments and made representations in December 2017 in order to file a notice of objection with the CRA. As at April 30, 2019, the balance payable to CRA is approximately $830,000 ($622,400 as at April 30, 2018). This balance includes Part XII.6 taxes related to the 2017 flow-through shares agreements that were not met as at December 31, 2018.

The Corporation's policy was to pay compensation to investors upon their request for fiscal re-assessment. However, since the moment, representations were made to the CRA, the Corporation has suspended this policy. During the year ended as at April 30, 2018, an amount of approximately $7,000 is accounted for as compensation to investors, following the refusal of certain CEE by the CRA. In addition, the Corporation estimates the amount owed to the

Province of Quebec at approximately $349,000 which is presented as accrued penalties and Part XII.6 taxes in the statement of financial position as at April 30, 2019. All additional amounts in relation with this provision will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at this time.

Furthermore, by virtue of flow-through shares agreements signed, the Corporation has to incur exploration and evaluation expenses amounting to approximately $78,200 before December 31, 2019. In addition, as at April 30, 2019, the Corporation does not have necessary liquidities in order to fulfill its commitments, which increases the risk that obligations will not be met within the prescribed time limit.

In March 2018, a claim for damages was filed with the Superior Court of Quebec against the Corporation and the officers and directors for an amount of approximately $631,000. The claim is related to non-compliance with flow-through share agreements signed in the past. In the opinion of the Corporation's management, the claim has little chance of success and it is not very likely that the Corporation will have to disburse a significant amount of money in relation with this litigation. For this reason, as of April 30, 2019 and 2018, no provision appears in the Corporation's financial statements.

Agreement with First Nations

In June 2013, the Corporation has entered into a Memorandum of Understanding with the first nations Flying Post and Mattagami (the "First Nations") pertaining to the exploration of the Timmins Porcupine West property. The Corporation will pay 2% of all direct exploration costs incurred on this property after the signature date of the agreement.

In February 2016, the Corporation has entered into a Memorandum of Understanding with the first nations Matachewan and Mattagami (the "First Nations") pertaining to the exploration of the Kidd Township property. In connection with this agreement, the Corporation issued a total of 1,000,000 common shares to the First Nations. The Corporation will pay 2% of all direct exploration costs incurred on the Kidd Township property after the signature date of the agreement.

In September 2017, the Corporation has entered into a Memorandum of Understanding with the first nations Matachewan and Mattagami (the "First Nations") pertaining to the exploration of the Montrose property. In connection with this agreement, the Corporation issued a total of 1,000,000 common shares and paid $2,000 in cash to the First Nations. The Corporation will pay 2% of all direct exploration costs incurred on the Montrose property after the signature date of the agreement.

Agreement with Puma Exploration Inc. on Chester property

In January 2019, the Corporation signed an option agreement to sell a 100% interest in the Chester property. Under this option agreement, the Corporation could receive a total amount of $300,000 in cash and the purchaser will have to complete a total of $1,100,000 in exploration and evaluation expenses on the Chester property over a period of three years according to the following schedule: $100,000 cash and $250,000 in exploration and evaluation expenses on the first anniversary; $100,000 in cash and $350,000 in exploration and evaluation expenses on the second anniversary; $100,000 in cash and $500,000 in exploration and evaluation expenses on the third anniversary. Following the transaction, the Corporation will retain a 2% NSR royalty and the purchaser will have the opportunity to redeem 1% of this royalty for an amount of $1,000,000.

Long-Term Debt

The Corporation has a debt owed to the Canada Revenue Agency (CRA), without repayment terms, bearing interest at the rate prescribed by the CRA. The interest rate is 6% as at April 30, 2019 (5.18% as at April 30, 2018). The current portion of the long-term debt is $832,714 ($622,409 in 2018).

RELATED PARTY TRANSACTIONS AND COMMERCIAL GOALS

Company Controlled by the President of Explor Resources Inc.

During the year ended April 30, 2019, the Corporation incurred administrative consultant fees amounting to $108,000 ($108,000 in 2018), general administrative expenses amounting to $2,141 ($22,298 in 2018), exploration and evaluation expenses amounting to $16,770 ($269,307 in 2018) and rent expenses of an amount of $18,000

($18,000 in 2018). There is a balance to be paid to this company of $56,000 as at April 30, 2019 ($41,809 to be received in 2018).

Members of the Board of Directors and Chief Financial Officer of Explor Resources Inc.
During the year ended April 30, 2019, the Corporation has incurred administrative consultant fees of an amount of $36,000 ($36,000 in 2018), professional fees of an amount of $0 ($6,530 in 2018), registration and listing and information to the shareholders of $4,257 ($728 in 2018), share issuance fees of an amount of $0 ($9,200 in 2018), general administrative fees of an amount of $0 ($500 in 2018) and stock-based compensation of an amount of $44,000 ($206,676 in 2018). In relation with these transactions, as at April 30, 2019, a balance to be paid of $0 ($1,759 in 2018) is presented with the accounts payable and accrued liabilities and a balance to be paid of $30,000 ($3,449 in 2018) is presented with the due to directors at the statement of financial position.

Corporation that has the Same President, Directors in Common with Explor Resources Inc. and that had the Same Chief Financial Officer up to December 2018.
During the year ended April 30, 2019, the Corporation has incurred general administrative fees of an amount of $3,191 ($7,573 in 2018). In February 2018, the Corporation signed an agreement with this corporation to settle an advance of $144,307 in counterpart of an investment of 2,886,141 common shares of this corporation. In connection with this transaction, a loss on receivable settlement for an amount of $57,723 is presented in the statement of net loss for the year ended April 30, 2018.

These transactions are concluded in the normal course of business and are measured at the amount of consideration established and agreed by the parties. The balances are usually settled in cash.

SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance
These financial statements of Explor Resources Inc. were prepared by management in accordance with IFRS. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

Functional Currency
The reporting currency and the currency of all operations of the Corporation is the Canadian dollar, since it represents the currency of the primary economic environment in which the Corporation operates.

Currency Conversion
Transactions in foreign currencies are translated at the exchange rates prevailing at the time they are made. At each closing date, assets and liabilities denominated in foreign currencies are converted at closing. Exchange differences resulting from transactions are recorded in the income statement for the period. Exchange differences relating to operating activities are recorded in loss for the period; exchange differences related to financing transactions are recognized in profit or loss or in equity.

Cash and Cash Equivalents
The Corporation presents cash and term deposits with original maturities of three months or less from the date of acquisition in cash and cash equivalents.

Tax Credit Related to Resources and Mining Tax Credit
The Corporation is entitled to a tax credit related to resources of 28% on eligible exploration expenses incurred in the province of Quebec. In addition, the Corporation is entitled to a mining tax credit equal to 16% of 50% of eligible exploration expenditures, reduced of tax credit related to resources. These amounts are based on estimates made by management and provided that the Corporation is reasonably certain that they will be received. At that time, tax credit related to resources and mining tax credit are recorded as a reduction of exploration and evaluation expenses.

Cash and Term Deposits Reserved for Exploration and Evaluation
Cash and term deposit reserved for exploration and evaluation represent proceeds from flow-through financings not yet incurred in exploration. According to the requirements of those financings, the Corporation has to apply the funds received to exploration and evaluation activities on mining properties. Following flow-through shares agreements, as at April 30, 2019, the Corporation has to incur exploration and evaluation expenses amounting to approximately $78,200 ($2,431,600 as at April 30, 2018). Cash and term deposit reserved for exploration and

evaluation amount to $65,027 and advances on exploration and evaluation expenses amount to $2,386 for a total of $67,413 as at April 30, 2019. Therefore, at that date, the Corporation does not have necessary liquidities in order to fulfill its financial commitments that have to be met by December 31, 2019. This increases the risk that funds might not be spent in exploration and evaluation expenses.

Exploration and Evaluation Assets
Expenditures incurred before the entity has obtained the legal rights to explore a specific area are recognized as expenses. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to the development are accounted as an asset only when the technical feasibility and commercial viability of a specific area are demonstrated and when recognition criteria of IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are fulfilled.

All costs associated with property acquisition and exploration and evaluation activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to acquisition and exploration and evaluation activities that can be associated with the discovery of specific mineral resources, which exclude costs related to production and administrative expenses and other general indirect costs. Exploration and evaluation expenditures are capitalized when the following criteria are satisfied:

- they are held for use in the production of mineral resources;
- the properties have been acquired and expenses have been incurred with the intention of being used on a continuing basis; and
- they are not intended for sale in the ordinary course of business.

Costs related to the acquisition of mining properties and to exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, exploration and evaluation assets are reclassified as mining assets under development. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss is recognized. So far, no technical feasibility and no commercial viability of extracting a mineral resource has been demonstrated.

The Corporation reconsiders periodically facts and circumstances set forth in IFRS 6 that requires testing exploration and evaluation assets for impairment. When facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the asset is tested for impairment. The recoverable amount is the higher of fair value less costs for sale and value in use of the asset (present value of the future cash flows expected). When the recoverable amount of an exploration and evaluation asset is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss. The carrying amount of exploration and evaluation assets do not necessarily represents present-time or future value.

The prior years recognized impairment for exploration and evaluation asset is reversed if there is an increase of the economic potential of asset, resulting from its use or sale since the last time an impairment has been recorded for this asset. If any, the carrying value of this asset is increased up to its recoverable amount, without being higher than it would have been recorded (net of amortization) as if the impairment had never been recognized for this asset in the previous years.

Impairment of Long-lived Assets
Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount might not be recoverable. The recoverable amount is the highest value between the fair value less costs for sale and the value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying value exceeds the recoverable amount. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

Property, Plant and Equipment
Property, plant and equipment are accounted for at historical cost less any accumulated impairment losses. The historical cost of property, plant and equipment comprises all of the costs directly attributable to the acquisition. The Corporation allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Depreciation of property, plant and equipment is calculated using declining method and at the following rates:

Leasehold improvements	30%
Exploration equipment	20%
Office equipment	20%
Computer equipment	55%

Financial Instruments

Recognition and Derecognition
Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual dispositions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs, if applicable.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Under IFRS 9, the classification depends on the entity's business model for managing the financial asset and the cash flow characteristics of the asset or liability.

Classification and Initial Valuation of Financial Assets
For the purpose, financial assets are classified into the following categories:

- at amortized cost;

- at fair value through profit or loss (FVTPL);

- at fair value through other comprehensive income (FVOCI).

For the periods considered, the Corporation does not hold any financial assets classified in the category of FVOCI.

All income and expenses relating to financial assets recognized in profit or loss are presented in finance costs or financial income.

Subsequent Valuation of Financial Assets

Financial Assets at Amortized Cost
Financial assets are measured at amortized cost if they meet the following conditions (and are not designated as FVTPL):

- They are held according to an economic model whose purpose is to hold financial assets in order to collect the contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that correspond solely to repayments of principal and interest payments on the principal outstanding.

After initial recognition, they are measured at amortized cost using the effective interest rate method. The update is omitted if its effect is not significant. Cash and cash equivalents, cash reserved for exploration and evaluation, other receivables, advances on exploration and evaluation expenses and advances to a related company are included in this category of financial instruments.

Financial Assets at Fair Value through Profit or Loss (FVTPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The investments and term deposit reserved for exploration and evaluation are part of this financial instruments category.

Impairment of Financial Assets
The impairment disposition in IFRS 9 use more forward-looking information, the expected credit loss impairment model, which replaces the IAS 39 loss model.

The recognition of credit losses is no longer dependent of the identification of a credit loss event by the Corporation. The latter should instead take into account a wider range of information for the assessment of credit risk and the assessment of expected credit losses, including past events, current circumstances, reasonable and justifiable forecasts that affect expected recoverability of future cash flows of the financial instrument.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

Classification and Measurement of Financial Liabilities
The Corporation's financial liabilities include accounts payable and accrued liabilities, due to directors, due to related companies, convertible debentures and long-term debt.

Subsequently, the financial liabilities are measured at amortized cost using the effective interest method.

Interest expenses and, as the case may be, changes in the fair value of an instrument recognized in profit or loss are presented in finance costs or financial income.

Compound Financial Instruments
Compound financial instruments are represented by convertible debentures. Debentures convertible into shares include both a financial liability and an equity component, which is the option to convert debentures into shares. The components of the instrument are classified separately as liabilities and equity. The Corporation first determines the carrying amount of financial liability by discounting future cash flows representing principal payments and interest payments at market rate generally used for a similar liability which no equity component is associated to. The carrying value of the equity instrument that represents the convertible in share option is then determined by deducting the carrying amount of financial liability of the amount of the hybrid instrument as a whole.

Provisions and Contingent Liabilities
Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation's operations are governed by government's environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Corporation's operations are generally in material compliance with current laws and regulations of environment protection. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource will be demonstrated, a restoration provision might be recognized in the statement of financial position.

In the case where the possible outflow of economic resources as a result of a present obligation is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

As at April 30, 2019 and as at April 30, 2018, a provision amounting to approximately $349,000 is presented at statement of financial position in relation with penalties and Part XII.6 taxes for the non-compliance of past flow-through share agreements.

Share-Based Compensation
The Corporation accounts for stock-based compensation over the vesting period of the rights to stock options. Share purchase options granted to employees, consultants, directors and officers of the Corporation and the cost of services received are evaluated and recognized on fair value basis using the Black-Scholes option pricing model.

Equity-Settled Share-Based Compensation Transactions
For transactions with parties other than employees, the Corporation measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Corporation cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Flow-Through Shares
The Corporation considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions. The sale of tax deductions is measured using the residual method. When the deduction of the fair value of shares component of the fair value of the sold unit as a whole shows no distributable surplus, the amount of flow-through shares premium is set to a low value marginal, according to the best estimation of the management. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position.

When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and the tax base of these expenditures.

Warrants
In connection with financings, the Corporation may grant warrants. Each warrant entitles its holder to purchase one share at a price determined at grant for a certain period of time. Proceeds from issued units are allocated between shares and warrants issued using the relative fair value method. The Corporation uses the Black-Scholes pricing model to determine the fair value of warrants issued.

Share Issuance Expenses
Share issuance expenses are recorded as a decrease of capital stock of the Corporation.

Basic and Diluted Loss per Share
The basic loss per share is calculated using the weighted average of shares outstanding during the year. The diluted loss per share, calculated using treasury stock method, is equal to the basic loss per share due to the anti-dilutive effect of share purchase options and warrants.

Revenue Recognition
Investment transactions are accounted for on the transaction date and resulting revenues are recognized using the accrual basis of accounting. Interest income is accrued based on the number of days the investment is held during the year.

Other revenues are recognized when there is convincing evidence of the existence of an agreement and that the price is fixed or determinable and collection is reasonably assured.

Mining Properties Options Agreements
Options on interests in mining properties acquired by the Corporation are recorded at the value of the consideration paid, including other benefit yielded but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus is not accounted for. Expenditures are accounted for only when incurred by the Corporation.

When the Corporation sells interests in its mining properties, it uses the carrying amount of the property before the sale of the option as the carrying amount for the portion of the property retained, and credits any cash consideration received and also the fair value of other financial assets received against the carrying amount of this portion (any excess is recognized as a gain in profit or loss statement).

NSR Royalties
The NSR royalties are generally not accounted for when acquiring a mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and when they can be measured with sufficient reliability.

Income Taxes and Deferred Taxes
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the year that includes the enactment date. The Corporation establishes a valuation allowance against deferred income tax assets if, based on available information, it is probable that some or all of the deferred tax assets will not be realized.

A deferred tax asset is recognized for unused tax losses and unused tax credits, to the extent that it is probable that future taxable profits will be available against which they can be used. At the end of each financial reporting period, the Corporation reassesses the deferred tax asset not recognized. Where appropriate, the Corporation records a deferred tax asset that had not been recorded previously to the extent it has become probable that future taxable profits will recover the deferred tax asset.

Segment Disclosures
The Corporation currently operates in a single segment: the acquisition and exploration of mining properties. All of the Corporation's activities are conducted in Canada.

Significant Accounting Judgments, Estimates and Assumptions
The preparation of financial statements in accordance with IFRS requires management to exercise its judgement, make estimates and assumptions that affect the application of accounting policies as well as the carrying amount of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Any revision to accounting estimates is recognized in the period during which the estimate is revised and in future periods affected by these revisions.

Key Sources of Estimation Uncertainty

a) Impairment of Exploration and Evaluation Assets
Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that their carrying amount may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Corporation shall measure, present and disclose any resulting impairment loss. Indications of impairment as well as the evaluation of recoverable amount of exploration and evaluation assets require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals.

Based on analysis performed during the year ended April 30, 2019, the Corporation impaired certain exploration and evaluation assets. Due to the current economic situation and the low level of its financial resources, the Corporation decided to impair the Eastford Lake, Carnegie, PG-101, Ogden, Montrose, Hoyle, East Bay and Moose Brooke projects. The Corporation also impaired the Chester project to a more realistic value of $300,000. During the year 2018, the Corporation has not impaired exploration and evaluation assets. No reversal of impairment loss was recorded for past years.

b) Share-Based Compensation
The fair value of share purchase options granted is determined using Black-Scholes pricing model that takes into account the exercise price and expected life of the option, the current price of the underlying stock, its expected volatility, the expected dividends on the stock and the current risk-free interest rate for the expected life of the

option. The inputs used to determine the fair value are composed of estimates to arrive at an approximation that would be likely reflected in a current market or negotiated exchange price for the option.

c) Effective Interest Rate on Convertible Debentures
The fair value of the debt component of convertible debentures is based by the actualization of capital of debentures and interest on the duration of debentures by using an effective interest rate. The estimated effective interest rate established between 12% and 16% was determined according to the management's judgment and involves a part of uncertainty.

d) Provisions and Contingent Liabilities
Judgment is used to determine whether a past event has created a liability that should be recorded in the financial statements or whether it should be presented as a contingent liability. Quantifying these liabilities involves judgment and estimates, which are based on several factors, such as the nature of the claim or dispute, legal procedures and the potential amount to be paid, legal advice obtained, previous experience and the likelihood of the realization of a loss. Many of these factors are sources of uncertainty in estimates. In relation with non-respect of flow-through shares agreements signed in the past, the management of the Corporation estimated future penalties and Part XII.6 taxes to $349,060 as at April 30, 2019 and 2018. Uncertainties exist in relation with the estimate of future amount that the Corporation would have to pay; differences between the actual results and the provision could necessitate adjustments of amounts involved.

Significant Management Judgment
The following are significant management judgments in applying the accounting policies of the Corporation that have the most significant effect on the financial statements.

Going Concern
The assessment of the Corporation's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year and to fund planned and contractual exploration programs, involves judgments based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

a) Market Risks

i) Fair Value
Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about the financial instruments. Fair value of cash reserved for exploration and evaluation, term deposit reserved for exploration and evaluation, advances to a related company, due to directors, due to related companies as well as accounts payable and accrued liabilities approximate the carrying value due to their short-term. Investments are recorded at fair value. Fair value of the debentures and long-term debt approximate their carrying value as they bear interest at a similar rate to what the Corporation might have on the market.

ii) Fair Value Hierarchy
Investments are measured at fair value and they are categorized in level 1. This valuation is based on data observed in the market. Cash reserved for exploration and evaluation and term deposit reserved for exploration and evaluation are measured at fair value and they are categorized in level 2. Their valuation are based on valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable.

iii) Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to changes in market interest rates. Except for term deposit reserved for exploration and evaluation, debentures and long-term debt, the Corporation's financial instruments do not bear interest. Since the term deposit reserved for exploration and evaluation and the debentures bear interest at a fixed rate, the risk of loss from market fluctuations in the interest rate is therefore minimal. In addition, the long-term debt bear interest at the rate prescribed by the CRA and is revised quarterly. As at April 30, 2019 and 2018, the Corporation holds debentures that bear interest at fixed rates of 7% and 8% and a long-term debt at the rate of 6% (5.18% as at April 30, 2018). Fixed interest rates expose the Corporation to the risk of variation in fair value due to interest rates changes. The Corporation believes that a 0.5% change in

interest rates could be reasonably possible. Its effect would be about $285 ($282 in 2018) on the term deposit reserved for exploration and evaluation, $10,338 ($9,838 in 2018) on debentures and $4,164 ($3,112 in 2018) on the long-term debt.

iv) Currency Risk

During the year, the Corporation incurred administrative costs in US dollars for $19,404 representing consultant fees. During the previous year, the Corporation incurred administrative costs in US dollars for $135,708 representing consultant fees, travelling and entertainment expenses, registration, listing fees and shareholder's information for respectively $107,665, $3,154 and $24,889. During the previous year, it also incurred consultant fees in AUD dollars for $14,475. Consequently, certain assets, liabilities and expenses are exposed to foreign exchange fluctuation. As at April 30, 2019, the Corporation has a cash balance of US$4,650 in US dollars. As at April 30, 2018, the Corporation has no amount in the statement of financial position arising from transactions in foreign currencies. The Corporation believes that a 5% change in exchange rates is reasonably possible. Its effect would be about $970 ($7,500 in 2018) on the net loss of the year.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Corporation to credit risk mainly consist of cash reserved for exploration and evaluation and term deposit reserved for exploration and evaluation. The credit risk on cash and term deposit reserved for exploration and evaluation is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Therefore, the Corporation does not expect any treasury counterparties to fail in respecting their obligations. The Corporation is subject to concentration of credit risk since the term deposit reserved for exploration and evaluation is held by a single Canadian financial institution. The carrying value of these financial instruments represents the Corporation's maximum exposure to credit risk and there has been no significant change in credit risk since the previous year.

c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has sufficient financing sources. The Corporation establishes budgets to ensure it has the necessary funds to fulfill its obligations. As at April 30, 2019, the Corporation's liquidities are amounting to $65,027 and its working capital is negative. It also holds investments in a public corporation with a market value of approximately $164,000 that it could sell if necessary. At the statement of financial position date, its statutory commitments in relation with flow-through financings are amounting to approximately $78,200 and these expenses must be incurred before December 31, 2019.

d) ***Equity Market Risk***

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in a company that is subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets. Equity investments are valued at fair value using quoted market price which is currently $163,820 ($212,112 as at April 2018).

As at April 30, 2019, had the published price of these securities increased (decreased) by 30%, net loss and comprehensive loss and shareholders' equity for the year would have increased (decreased) by $49,146 ($78,634 in 2018).

In order to continue its operations, the Corporation will have to find additional funds and despite the fact that it has been successful in the past, there is no guarantee for the future. Currently, there remains a risk that the Corporation will be unable to find cash even if the management believes that it will find the necessary cash to meet its future commitments. Considering the non-respect of some flow-through shares agreements and in view of the negative impact of this fact, the risk is high that management will have difficulties to obtain the financial resources required for its future projects.

POLICIES AND PROCESSES FOR MANAGING CAPITAL

As at April 30, 2019, the capital of the Corporation consists of equity amounting to $26,131,768. The Corporation's capital management objective is to have sufficient capital to be able to meet its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient cash to finance the exploration and evaluation expenses, the investing activities and the working capital requirements. There were no significant changes in the Corporation's approach to capital management during the year ended April 30, 2019. The Corporation has no dividend policy.

The Corporation is subject to regulatory requirements related to the use of funds obtained by flow-through shares financing. These funds have to be spent in eligible exploration and evaluation expenses. At present, the Corporation did not respect its regulatory requirements in relation with certain past flow-through shares agreements that had to be incurred before December 31, 2014, before December 31, 2013 and before December 31, 2018. In addition, to fulfill its future statutory obligations, the Corporation has to spend approximately $78,200 in exploration and evaluation expenses by December 31, 2019.

RISK FACTORS

Exploration Risks

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment. The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Corporation may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Corporation to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Corporation's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Corporation and its ability to develop its properties economically. Before it commences mining a property, the Corporation must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

Development of the Corporation's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Corporation will succeed in obtaining the funding required. The Corporation also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of gold and any other mineral discovered are outside the Corporation's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

Risks Not Covered by Insurance
The Corporation may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

Tax
No assurance can be given that Canada Revenue Agency or that the Quebec Ministry of Revenue will agree with the Corporation's characterization of expenditures as Canadian exploration expenses.

Dependence on Key Personnel
The development of the Corporation is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Corporation faces competition for personnel from other mining companies.

Conflict of Interest
Certain directors of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and mining of natural resources properties. Such associations may give rise to conflicts of interests from time to time. The directors of the Corporation are required by law to act honestly and in good faith of view of the best interests of the Corporation and to disclose any interest, which they may have on any project or opportunity of the Corporation. If a conflict arises at the meeting of the board of directors, any director in conflict will disclose his interest and abstain from voting on such matter.

ADDITIONAL INFORMATION FOR EMERGING ISSUERS WITHOUT SIGNIFICANT INCOME

The Corporation provides information on deferred exploration and evaluation expenses found in note 6 of its audited annual financial statements for the year ended April 30, 2019.

The Corporation has no research and development expenses.

The Corporation has no other deferred expenses than the mining properties and the deferred exploration and evaluation expenses.

INFORMATION ON OUTSTANDING SHARES

As at April 30, 2019 and as the date of this MD&A, the stock capital of the Corporation is composed of 190,397,224 common shares issued and outstanding.

Options

The Corporation has a stock option plan intended for its officers, consultants and directors. As at August 28, 2019, the stock options are as follows:

Number	Exercise Price	Expiry
925,000	$0.075	05-11-2020
2,600,000	$0.15	03-16-2021
4,700,000	$0.08	08-21-2022
5,300,000	$0.05	09-17-2023
13,525,000		

Share Purchase Warrants

As at August 28, 2019, the Corporation's outstanding purchase warrants are as follows:

Number	Exercise Price	Expiry
277,059	$0.15	09-01-2019
1,428,571	$0.12	11-01-2019
6,245,750	$0.12	11-07-2019
13,000,000	$0.10	11-28-2019
2,357,143	$0.10	12-11-2019
157,143	$0.10	12-27- 2019
857,143	$0.10	02-14-2020
642,857	$0.10	03-16-2020
9,452,120	$0.10	07-03-2020
34,417,786		

Warrants issued to Brokers and Intermediaries

As at August 28, 2019, the Corporation's outstanding options issued to brokers and intermediaries are as follows:

Number	Exercise Price	Expiry
666,666	$0.06	12-29-2019
666,666		

STRATEGY AND PERSPECTIVE

The Corporation main focus is on finding high quality exploration properties in the Abitibi Greenstone Belt. It is one of the largest greenstone belts in the world and it has produced over 180,000,000 ounces of gold and more than 450,000,000 tons of Cu-Zn ore. We believe that they are still several "elephants" to be discovered in the Abitibi Greenstone Belt.

The Corporation has for almost 10 years been focusing most of its exploration efforts on its flagship property, the Timmins Porcupine West Gold Project. The continued success of Lake Shore Gold Corp. in the West Timmins Mining Camp and the intersection by West Timmins Mining Inc. (WTM) of 12.75 g/tonne over an interval of 83.40 meters (0.37 oz/ton over an interval of 273.55 feet) on their property in 2009, (WTM Press Release June 24, 2009) has prompted Explor to acquire the Timmins Porcupine West Property ("TPW") in July 2009. Over the years, we added other claims to this Property. The TPW Property has a total surface area of 3200 hectares contiguous with Tahoe Resources' Timmins West Mining property. Another neighbour located to the west of TPW, Metals Creeks Resources ("MEK") reported an intersection of 210.19 g/t Au over 12.53 m, which is very encouraging. (MEK Press Release of May 22, 2013). Explor has completed a 3D model on the property and very interesting deep targets have been defined.

The Corporation has completed 126 holes to date on the property, intersected significant gold mineralization in 121 and intersected gold in 64 out of 65 wedges off of the main pilot holes. Explor has drilled some of the deep targets revealed in the 3D modelling. Some of the deep targets intersected include Hole #12-62W1 which included **14.7 meters of 6.70 g/tonne Au** and Hole #12-73W5 which included **33.5 m of 7.65 g/tonne Au**. The drilling, logging and core analysis started in the fall of 2009 and continues to date. Since the acquisition of the property in late July 2009, the Corporation has confirmed the structural model and completed an initial NI 43-101 technical report on the property and three updates of the mineral resources. A new update of the mineral resource was released on August 27, 2013 and a technical report supporting this new estimate was filed on SEDAR on August 29, 2013. The most recent estimate consists of:

Open Pit Mineral Resources at a 0.30 g/t Au cut-off grade are as follows:

Indicated:	**213,000 oz (4,283,000 tonnes at 1.55 g/t Au)**
Inferred:	**77,000 oz (1,140,000 tonnes at 2.09 g/t Au)**

Underground Mineral Resources at a 1.70 g/t Au cut-off grade are as follows:

Indicated:	**396,000 oz (4,420,000 tonnes at 2.79 g/t Au)**
Inferred:	**393,000 oz (5,185,000 tonnes at 2.36 g/t Au)**

It should be noted that the Open pit Indicated resource increase from 74,000 oz to 213,000 oz and the Indicated underground mineral resource increased from 224,000 oz to 396,000 oz. The conversion of Inferred to Indicated oz is important in bringing the Corporation closer to being able to complete a PEA on the property. The Corporation is looking at several scenarios to accelerate the exploration of the TPW Property. The current market downturn has made it more difficult to find financing opportunities but Explor believes in the value of the TPW Project and remains committed to its exploration and eventual development. A new open pit mineable resource has been defined in addition to the underground resource on the latest update of the mineral resources as stated in Press Release dated April 16, 2013 and August 27, 2013. This is good news for the Corporation since it firms up and converts a significant portion of the Inferred to Indicated oz. The mineralized structure has over 2000 meters of strike length and is open on both end and at depth with potential to significantly increase the resource by additional diamond drilling. Additional drilling and consequently resource increase could conceivably accelerate the development of the TPW property.

In May 2017, Explor announced a 3,000 meters drill program on the property. A total of 3163.4 meters were drilled to expand and update the open pit potential of the TPW property of Explor Resources. Explor intersected North-east-South-west trending Shear Zone #5 on the eastern end of the property, thereby extending the west deep high grade to the eastern end of the property that was originally discovered in Hole #TPW-13-101 completed in the 2013 drill program.

The drill program was successful in intersecting Shear Zone #5 in four (4) holes with 14 gold values as well as intersecting an additional 14 gold values from 3 holes drilled in previously untested areas of the mineralized strike length. The addition of 28 gold values ranging from 1.06 to 7.3 g/t Au over 1.5 meters within the proposed open pit area clearly shows the extent and potential of this zone.

In summary, holes #TPW-17-101EX, #TPW-17-102-EX, #TPW-17-103EX and #TPW-17-104EX intercepted Shear Zone #5 with 14 gold values ranging from 1.06 to 7.3 g/t gold over 1.5 meters. As well, new fill in holes #TPW-17-124, #TPW-17-125 and #TPW-17-127 in Area "B" intersected 14 gold values from 1.1 to 5.1 g/t Au over 1.5 meters, mostly from east-west trending Shear Zones #1 to #4.

More importantly, Holes TPW-17-101EX, TPW-17-102EX and TPW-17-104EX intercepted gold values from a previously undetected east-west trending shear which has now been interpreted as Shear Zone # 6.

Explor has decided to advance the project by the development of the Open Pit in the Central part of the property. Explor estimates that there is a potential 250,000 oz of gold in the central pit are at a grade of 2.0 g/tonne. Explor is currently planning a definition drilling program for this open pit prior to the permit application process for a bulk sample. In May 2018, the Corporation announced the preliminary results of metallurgical testing completed on the gold ore near surface on the Timmins Porcupine West Property. Explor selected representative samples from diamond drill holes in the area of the potential open pit. A 45 kilogram composite sample of mineralized diamond drill core was sent to SGS Minerals Services in Lakefield, Ontario for metallurgical test-work.

The test program included sample preparation, characterization, and flowsheet development testing. Ore characterization included grindability, mineralogy by QEM-RMS (QEMSCAN) rapid mineral scan, and chemical head grade analysis. Flowsheet development testwork focused on gravity separation, as well as flotation and cyanidation of gravity separation tailing.

In summary, the composite sample was analyzed by a screened metallic protocol and resulted in a head grade of 2.64 g/tonne gold. Testing indicated very little silver and negligible arsenic in the composite sample. The Bond Mill work index was determined to be 13.1 Kwh/tonne. A gravity test was conducted and it was determined that the 37.5% of the gold exists as microscopic free gold. Flotation testing indicated that up to 93% of the gold can be recovered as a pyrite concentrate. Cyanide leach test were conducted on the pyrite concentrate and greater than 94% gold extraction was achieved over a 24 hour period. The gold is not refractory and is not locked within the pyrite. A testing of the tailings product (ABA and NAG testing) indicates that there is no potential for acid generation in the flotation tailings material.

In summary, the low-grade gold ore will be easy to process, with a high recovery rate. Since there is no potential of generating acid, this is good news from an environmental point of view. The Corporation is currently studying the possibility of bringing the open pit into production. Once the pit is completed, Explor plans on driving an Exploration ramp from the bottom of the pit to the deep high grade on the western portion of the property. This exploration ramp will facilitate the development of Diamond drill station along the ramp to increase the understanding of the mineralization and the underground resource.

The Kidd Township Project near the Glencore Kidd Creek Mine has also been the focus of Explor's exploration efforts. The Board of directors has decided to focus on Base Metal properties that currently have very promising results. To this end, in 2016, Explor started an exploration and diamond drill program on the property. The 2016 Kidd-Carnegie drill program was successful in that it intersected many of the ore bearing lithological units and marker horizons as within the Kidd Creek Mine. As well, the intersection of 4024 & 15,500 ppm Zn (over 1.1 & 1.0 meters respectively) within cherty tuffs and cherty-exhalite was very encouraging and suggests that both claim blocks may host a Kidd Creek Style Copper- Zinc deposit.

Explor contracted Crone Geophysics to complete a downhole geophysical program and a 3000-meter diamond drill program was completed.

The 2017 diamond drill program in Carnegie Township as initiated by Explor from January to March 2017 was successful in drill testing several magnetic and electromagnetic conducting targets as well as structures within claims 4210980 and patent 4419 with holes KC-17-07, KC-17-08 & KC-17-09. Although no economic zinc, copper, lead or gold values were encountered, this phase of diamond drilling has shown the presence of silica and sericite altered coarse felsic pyroclastics, sulphides, graphitic exhalative horizons and anomalous Zinc values commonly found associated with world class type of VMS deposit similar to the Kidd Creek deposit located immediately to the south.

To date, the East-West extent of the EM conductors in Carnegie Township has not been fully drill tested. As well, the intersection of sericite & silica altered coarse pyroclastics, exhalative horizons, mafic fragmentals, graphitic material and sulphides within KC-17-07, KC-17-08 & KC-17-09 suggests close proximity to vent system similar to that found in the Kidd Creek mine. **Therefore, the next phase of diamond drilling should concentrate on the East-West extent of the electromagnetic feature in claim 4210980 east and west of the 1.5% (15000 ppm Zn) in Hole KC-16-03.**

In November 2016, the Corporation announced the preliminary results of the drill program on the Chester property. The Corporation reported 2.187 % Cu over 9.66 meters amongst other results for Hole #1571-16-001. A total of 6 zones of copper mineralization were intersected in Hole # 1571-16-001. In January 2017, the Corporation reported 3.20% Cu over 6.00 meters amongst other results for Hole #1571-16-002. A total of 8 zones of copper mineralization were intersected in Hole #1571-16-002. Explor also reported 3.65% Cu over 5.35 meters for Hole #1571-16-003 amongst other results. A total of six zones of copper mineralization was intersected in Hole #1571-16-003. In March 2017, the Corporation reported 2.36% Cu over 11.50 meters amongst other results from Hole #1571-16-004. A total of nine zones of copper mineralization was intersected in Hole # 1571-16-004. Zinc mineralization of 1.25% over 1.0 meter was also intersected in this hole. Explor also reported 3.38% Cu over 0.53 meters from Hole #1571-16-012 amongst other results. A total of five zones of copper mineralization was intersected in Hole #1571-16-012.

In February 2019, the Corporation announced that it had entered into an option agreement with Puma Exploration Inc. ("Puma") for the acquisition of the Chester property. Explor has granted to Puma the sole and exclusive right with an option, over a three-year period, to acquire the Property for the following considerations: i) payment to Explor of an aggregate of $300,000, representing $100,000 per year and ii) Puma shall complete a work program of $1,100,000 on the property, with a minimum of $250,000 during the first year of the option agreement, $350,000 the second year and $500,000 on the third year. Upon the completion of these conditions over a period of three years, Puma will have acquired a 100% interest in the Property. Explor will also retain a 2% NSR royalty on the property. Puma will assume the remaining NSR royalties on the Property in favor of previous owners.

The East Bay Property, located in the Duparquet, Hébécourt, Dufresnoy and Destor Townships, Province of Quebec, is another promising project of the Corporation. It is situated along the Destor-Porcupine Fault. Explor has recently completed a surface reconnaissance and exploration program where grab samples were taken that graded up to 93 and 100 g/tonne gold.

In December 2017, the Corporation completed a 3,443 meters (8 diamond drill holes) drill program on the property. The exploration program was based on the coincident geophysical and geochemical anomalies as well as a study by CONSOREM using Paleo-Stress Modeling as it related to the mineralization along the PDFZ in the Duparquet Mining Camp. Drill results up to 4.83 g/tonne over 2.5 meters were obtained. Of significance, discovered during this exploration program was the discovery of highly anomalous gold zone in sediments in one of the holes drilled.. A ground reconnaissance survey was completed in the summer of 2018. Outcrop sampling has also been completed.

On August 22, 2019, the Corporation announced that it had signed an Amalgamation Agreement (the "Agreement") with Pure Nickel Inc. ("Pure Nickel") to merge the companies on a 54/46 (Explor/Pure Nickel) basis (the "Transaction") to form a new company ("Amalco").

In connection with the Transaction, Pure Nickel will issue approximately 95,198,612 common shares of Pure Nickel in exchange for all of the issued and outstanding common shares of Explor. As a result, upon completion of the Transaction, the combined company will have approximately 177,891,951 shares outstanding with Explor shareholders holding voting control. The completion of the Transaction is subject to all necessary shareholder and regulatory approvals.

Under the terms of the Agreement, Pure Nickel has agreed to subscribe for 10,000,000 units of Explor at a price of $0.05 per unit, representing a total amount of $500,000. Each unit of Explor is comprised of one common share and one-half of one common share purchase warrant. Each whole purchase warrant will be exercisable into one common share at a price of $0.10 per share for a period of 24 months. The securities that will be issued at the closing of this private placement will be subject to a hold period of four months and one day from closing. Explor intends to use the funds from the private placement to complete the Transaction and for general corporate purposes. The private placement is subject to TSX Venture Exchange approval.

Mr. R. David Russell, current CEO of Pure Nickel, will continue as the Chief Executive Officer and President of the new company (Amalco) and Mr. Christian Dupont, of Explor, will become the Vice President and Chief Operating Officer.

The Board of directors of Explor believes that this Amalgamation with Pure Nickel is in the best interests of the Company's shareholders and will increase shareholder value. The resulting company will work on advancing its gold projects to production such as the Timmins Porcupine Gold Project and Pure Nickel's Neal Gold Project.

Both Pure Nickel and Explor Resources executives have geological, mining and management history for developing similar type of deposits within the Timmins Gold Mining Camp. Mr. Russell, as the Apollo Gold CEO, led the acquisition and re-development of the Glimmer Gold Mine starting in 2002, it later became the Black Fox Mine from 2002 – 2010 within the Apollo Gold Company. (Note: The Black Fox Mine has been in production since 2008 and is still in production today and operated by McEwen Mining.)

The market has been pretty hard on junior exploration companies and producers. The price of gold is showing an upward trend with trading going up and trading at over US$1,500.00. The popularity of the cannabis companies and block-chain projects continues to draw high risk capital from the exploration market as those individuals wishing to make a quick buck have put their money into the flavour of the day investments and have made it difficult to find financings. But the Board of Directors looked at various ways to increase shareholder value and an amalgamation with another junior with the expertise and financing capability became the option of choice to explore and eventually develop the Timmins Porcupine West Gold Project. The Corporation continues to evaluate and study properties in the Abitibi Greenstone Belt as they become available in order to determine if they have the potential to increase shareholder value.

ADDITIONAL INFORMATION AND ONGOING DISCLOSURE

This annual MD&A was prepared as of August 28, 2019. The Corporation regularly discloses additional information by means of press releases and interim financial statements and MD&A on SEDAR's website (www.sedar.com) or on the Corporation's web site (www.explorresources.com).

CERTIFICATE

This MD&A was approved by the board of directors.

(s) Christian Dupont
Christian Dupont
August 28, 2019.

EXPLOR Resources inc.

Interim Management Discussion and Analysis Report

For the Three-Month Period Ended July 31, 2019

This interim management's discussion and analysis report ("MD&A") provides an analysis of our financial position and results of operations to enable a reader to assess material changes for the three-month period ended July 31, 2019, in comparison with the same period of last year. This interim MD&A report was prepared as at September 30, 2019 to complement our condensed interim financial statements. This interim MD&A and our condensed interim financial statements are intended to provide investors with reasonable basis for assessing our results of operations and our financial performance.

Explor Resources Inc. ("Explor") was continued under the *Business Corporations Act (Alberta)*. It is an exploration company operating in Canada. It holds properties in Ontario (Eastford Lake, PG 101, Carnegie, Golden Harker, Montrose, Timmins Porcupine West, Kidd Township and Ogden), in Quebec (East Bay and Destor), and in New Brunswick (Chester). Explor Resources Inc. is a publicly listed company trading on the TSX Venture Exchange (TSXV-EXS), on the USA Pink Sheets (EXSFF) and on the Frankfurt and Berlin Stock Exchanges (E1H1).

This interim MD&A contains "forward-looking statements" not based on historical facts. Forward-looking statements express, as at the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements, factors could cause results or events to differ materially from current expectations expressed or implied by forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Corporation to obtain financing.

MINING PROPERTIES

EASTFORD LAKE (ONTARIO)

History

In October 2005, the Corporation acquired a 100% interest in 137 units (13 claims) situated in the Kerr, Warden and Milligan Townships, in Ontario, in consideration of an amount of $18,000 and the issuance of 450,000 common shares. The vendors have retained a 2% NSR royalty on these claims. In September 2007, the Corporation acquired 57 additional contiguous units claims by staking and the Eastford Lake Property now covers a total area of approximately 3,140 hectares.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Eastford Lake Property now has 177 mining claims.

Location

The Eastford Lake Property is located in the Rayner Lake area, near the Abitibi Lake, at approximately 100 km to the west of the city of Timmins, Ontario. The property is accessed via a 16 kilometres all weather graver road from highway 101 to the south.

Work by Explor

In July 2009, Explor completed a round of exploratory drilling to determine the location and direction of the «**Lynx Gold Zone**"; seven drill holes for a total of 3,534.2 meters were completed to test a new model. Visible Gold (VG) was observed in two of the holes that were drilled. A total pulp metallic assay has been conducted on those areas where VG was observed. Only one hole had anomalous values less than 500ppb.

The Corporation completed a structural analysis of the geology using the holes drilled to date and incorporated the results into the current geological model. Nine parallel shear zones were defined in a 400-meter-wide shear zone corridor. The shear zone corridor appears to have been bisected by a major fault trending north-north-east. Gold has been found in several of the shears. Two drill holes were completed to intersect where six SGH gold anomalies were coincident with the shear zones. Of these only one resulted with anomalous gold mineralization.

In 2010, Explor completed a series of four holes for a total of 3,029 meters of diamond drilling. This program focused on intersecting the gold bearing shear zones that are intersected by a major fault structure that is trending in a north north easterly direction and through the Lynx Gold Zone.

The results of the 2010 diamond drill program suggest the following:

1. The cluster of gold assays in Hole EG-10-26 occurs along structural, lithological and alteration that strike northwest of the Lynx Gold Zone. This suggests that the strongest known Au mineralization in the immediate area (including the Lynx Gold Zone) occurs within and is controlled by the northwest trending Eastford Lake Fault Zone.
2. The multiple Au intersections grading up to 4.6 gpt in previously drilled hole EG-09-23 may indicate a separate gold zone parallel to the Lynx Gold Zone, or, it may be controlled by the cross fault.

The discovery of the Lynx Gold Zone in this largely unexplored area represents a major technical success. As a possible new gold camp associated with the regional Destor-Porcupine Fault, it requires further systematic drilling to test and improve the proposed geological model, extend the known gold zones and search for new mineralized zones elsewhere on the property. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

CARNEGIE (ONTARIO)

History

The Corporation, from 2007 to 2008, entered into five different agreements for the acquisition of 18 claims (86 units) located in the Carnegie and Kidd Townships, Mining Division of Porcupine, in Ontario, forming the Carnegie Property, which covers approximately 1,003 hectares. To acquire these claims, the Corporation paid a total of $53,000 and issued a total of 750,000 common shares. There exist a 2% NSR royalty on the property.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Carnagie Property now has 109 mining claims.

Location

The Carnegie Property is located approximately 1.5 kilometre north of the Kidd Creek mine site and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Highway 655.

Work by Explor

A 2,500-meter drill program consisting of ten holes was completed by Explor in the winter of 2010 on the Carnegie Property. Rhyolite was observed in one of the holes. The drilling that was completed tested max/min as well as IP targets there were found during the 2009 winter/spring geophysical program.

A detailed examination of the core has permitted to observe lithologies, textures, alterations and mineralization in many of the holes that were drilled that indicate a strong potential for the localization of a volcanogenic massive sulfide deposit. This has necessitated a second phase of geochemical sampling to determine alteration indexes and also samples have also been submitted for Cu-Zn (copper-zinc) and gold analysis. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

MONTROSE/MIDLOTHIAN (ONTARIO)

History

The Corporation, from 2007 to 2009, entered into three different agreements for the acquisition of 186 mineral units comprising 16 mineral claims situated in Montrose and Midlothian Townships, in the Porcupine Mining Division, District of Cochrane, Province of Ontario. To acquire these claims, the Corporation paid a total of $75,500 and issued a total of 710,000 common shares. There exist a 2% and 1% NSR royalty on the property.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Montrose/Midlothian Property now has 51 mining claims.

In September 2017, the Corporation announced that it has signed a Memorandum of Understanding ("MOU") with the Matachewan First Nation of Matachewan, Ontario and the Mattagami First Nation of Gogama, Ontario (the "First Nations"), with respect to the Montrose Property. The MOU will serve as a framework to govern the relationship between Explor and the First Nations in accordance with their intention of further building a relationship characterized by cooperation and mutual respect, in connection with the development of the Montrose Property. In connection with the MOU, Explor issued a total of 1,000,000 common shares to the First Nations.

Location

The claims comprising the Montrose Property are located in the southern part of Montrose Township and the northern part of Midlothian Township, approximately eight kilometres northwest of the town of Matachewan and 64 km west of the city of Kirkland Lake, Ontario. Excellent access is provided by highway 66 from Kirkland Lake.

The Montrose Property is contiguous to the North and East of the former producing Stairs Mine Property where widespread alteration, generally within sediments, occurs proximal to felsic volcanic contacts. Alteration consists of wide zones of carbonate/pyrite alteration +/- silicification and can obtain widths up to 100-200 m with more intense internal zones of sericite alteration and green mica alteration within the broad carbonate alteration. Gold values are found most commonly with quartz ankerite veins but can also occur in massive sulphide veins, chromic-pyrite veins and sericite alteration.

The Stairs Mine Property was explored from 1909 to 1964 by several groups including Sherwood Gold Mines, Sylvanite gold mines, Riocanex and Stairs Exploration and Mining Company. From 1964-66, Stairs Exploration developed a 700-foot shaft and completed 6,226 feet of lateral development on five levels. Production from a small gravity mill recovered 2,764 oz Au and 1,318 oz Ag from 11,952 tons milled. In 1983, a further 266 oz Au was recovered from 2,700 tons of tailings. The OGS states a "current reserve of 41 ,000t @ 30.2 g/t Au with a probable reserve of 81,000 t @ 8.57 g/t Au" (EMRC-1986 and non-current 43-101 compliant).

The eastern and northern portions of the Stairs Mine Property is contiguous with Explor's Montrose property has been extensively explored and includes the Pope vein which was partially mined and also contains the C zone, G-9, Marcasite and Chromic veins which were not developed and trend onto Explor's ground. The mineralized zone trending from the Stairs Mine is 600 m in length and alteration reaches >200 metres in thickness with widespread gold values.

Work by Explor

The property has been re-evaluated based on a new geological interpretation of the location of the main fault structure trending north from the Stairs Mine onto Explor's ground. A major ground geophysical program was completed in 2016 consisting of line cutting which was followed by Mag,VLF and IP. The program revealed several targets that emanated off the major fault structure that runs through the property in a North-West – South-East direction. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

KIDD TOWNSHIP (ONTARIO)

History

The Corporation, from 2007 to 2017, entered into fourteen different agreements for the acquisition of 32 claims and four patented claim (158 units) located in the Kidd, Carnegie, Wark, Prosser and Murphy Townships, Mining Division of Porcupine, in Ontario, forming part of the Kidd Township Property. The Corporation paid a total amount of $107,000 and issued a total of 4,020,000 common shares to acquire these claims and the vendors have retained a 2% and 1 % NSR royalty on these claims.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Kidd Township Property now has 197 mining claims.

In February 2016, the Corporation announced that it has signed a Memorandum of Understanding ("MOU") with the Matachewan First Nation of Matachewan, Ontario and the Mattagami First Nation of Gogama, Ontario (the "First Nations"), with respect to the Kidd Township Property. The MOU will serve as a framework to govern the relationship between Explor and the First Nations in accordance with their intention of further building a relationship characterized by cooperation and mutual respect, in connection with the development of the Kidd Township Property. In connection with the MOU for the Kidd Property, Explor issued a total of 1,000,000 common shares to the First Nations.

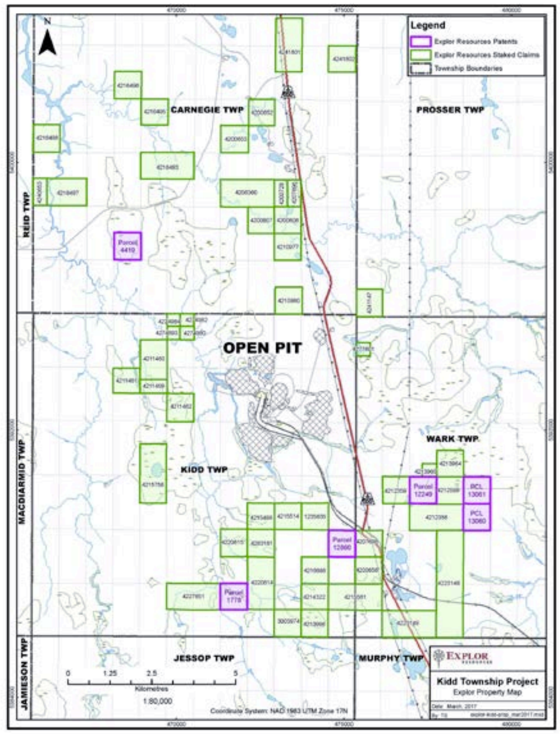
Location

The Kidd Township Property now covers an area of approximately 2,934.7 hectares which is located 1.5 kilometre south east of the open pit and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Hwy 655 which passes through the middle of the property.

Work by Explor

A first phase of a diamond drilling program was completed by Explor in the fall of 2008, consisting of four diamond drill holes to test geophysical targets south of Open Pit, in an area believed to be predominantly a sedimentary environment. Felsic and metasediments were intersected in all those holes. Highlights include a 1.1-meter section of massive to semi-massive pyrite intersected in Hole #3 down hole at 339.0 to 340.1 meters. Anomalous values of Cu, Zn and Pb were intersected in three of the four holes ranging from 100 to 200 ppm Cu, 330 ppm Zn and 780 ppm Pb in Hole #2. Hole #3 intersected 175 ppm Cu and 906 ppm Zn over 1.5 m.

The analysis of the 2011 drill results, the MEGATEM survey, the VTEM survey and previous historical drill results has confirmed that a major fault structure crosses the Northeastern corner of claim block 4211459. This fault structure and Explor's claims are shown on the attached plan. Both the Open Pit and the Chance deposits are located within this fault structure that crossed the Northern part of the claim block. The drill holes completed by Explor did not detect alteration patterns indicating proximity to hydrothermal venting, however Explor did core sulfide rich flow breccias and coarse pyroclastics, which are indicative of a volcanic mound and nearby venting, favourable area for the deposition of massive sulfides.



Geological modelling for the deposition of marine volcanogenic massive sulphides proposes that hydrothermal venting usually occurs along a deeply rooted fault "growth fault"**.** Hydrothermal venting and sulphide deposition can occur in multiple locations over many kilometres along such faults, resulting in a "string" of massive sulphide deposits (i.e. Noranda and Mattagami mining camps). Assuming that the Kidd Creek and Chance deposits lie along such a growth fault, the projection of this fault crosses the northern portion of claim 4211459 in the area of VTEM anomalies C1 and C2, as well as the isolated MEGATEM anomaly which lies nestled in between.

Exploration drilling completed by Explor to date has revealed a Major Fault Structure running to the west of the Glencore Kidd Creek Mine in a NW-SE direction. A thorough review of all existing geophysical data appears to support these findings. Drilling by Falconbridge in 1998 to the southeast of the Glencore Kidd Creek Mine (Hole # K26-01) returned 4.7m in which 4 of the 5 samples returned Zinc values from 4200 – 8900 ppm and Copper values that ranged from 700 – 2280 ppm. The Magnetic Anomaly associated with these results appears to continue onto Explor's property holdings. A series of untested AEM (Airborne Electromagnetic) conductors detected on the Kidd Township Property to the west, south and southeast of the existing Kidd Creek Mine clearly warrant further investigation.

The 2016 Kidd-Carnegie drill program was successful in that it intersected many of the ore bearing lithological units and marker horizons as within the Open Pit Mine. As well, the intersection of 4024 & 15,500 ppm Zn (over 1.1 & 1.0 meters respectively) within cherty tuffs and cherty-exhalite was very encouraging and suggests that both claim blocks may host a Kidd Creek Style Copper- Zinc deposit. The presence of exhalite-chert units in two of the holes is very significant in terms of exploration. Generally, exhalite-chert is proximal to a VMS deposit. This is the first time in 10 years of exploration around the Kidd Creek mine site that exhalite-chert has been intersected.

In the fall 2016/winter 2017, Crone Geophysics conducted down hole geophysics. A sodium depletion study was completed due to the presence of exhalite in two of the holes drilled on the property north of the mine. Results are positive, the core from Holes KC-16-03 and KC-16-04 was found to be significantly sodium depleted. This indicates we are proximal to the event horizon.

The 2017 diamond drill program in Carnegie Township as initiated by Explor from January to March, 2017 was successful in drill testing several magnetic and electromagnetic conducting targets as well as structures within claims 4210980 and patent 4419 with holes KC-17-07, KC-17-08 & KC-17-09. Although no economic zinc, copper, lead or gold values were encountered, this phase of diamond drilling has shown the presence of silica and sericite altered coarse felsic pyroclastics, sulphides, graphitic exhalative horizons and anomalous Zinc values commonly found associated with world class type of VMS deposit similar to the Kidd Creek deposit located immediately to the south.

To date, the East-West extent of the EM conductors in Carnegie Township has not been fully drill tested. As well, the intersection of sericite & silica altered coarse pyroclastics, exhalative horizons, mafic fragmentals, graphitic material and sulphides within KC-17-07, KC-17-08 & KC-17-09 suggests close proximity to vent system similar to that found in the Kidd Creek mine. **Therefore, the next phase of diamond drilling should concentrate on the East-West extent of the electromagnetic feature in claim 4210980 east and west of the 1.5% (15000 ppm Zn) in Hole KC-16-03.**

The intersection of moderately to strongly silica and sericite altered pyroclastic, graphitic argillite and exhalative horizons in Hole KC-17-09 within patent 4419 strongly suggests proximity to a vent system similar to that found in the mine to the south east. Therefore, a modest drill program focused around Hole KC-17-09 and along the NW-SE structure may uncover a zinc, lead & copper deposit. Explor plans on raising capital and drilling 1 to 2 holes to the east of our 1.5% Zinc intersection.

Recent geophysical work on the Prosser Township claims has confirmed a large significant geophysical anomaly at the center of the property.

GOLDEN HARKER (ONTARIO)

History

The Corporation, from 2010 to 2012, entered into two different option agreements to acquire a 100% interest in 16 mineral claims (16 units) located in Harker Township, in the Larder Lake mining division, district of Cochrane, Ontario. Explor paid a total of $33,000 and issued 400,000 common shares to acquire these claims. There is a 2% NSR royalty on the property.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Golden Harker Property now has 18 mining claims.

Location

The Golden Harker Property is located south west of the St. Andrew Goldfield's Holt McDermott Mine property and their Holloway Mine property. Several other smaller deposits in the Harker-Holloway gold camp and in the vicinity of the Golden Harker Property include the Buffonta, Mattawasaga and East Zone deposits.

The Golden Harker Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults (including the Ghost Mountain fault) that splay from the Porcupine-Destor-Fault Zone ("PDFZ"). The PDFZ is a major deformation zone that crosses to the north of the claims through Harker Township. Proximity to the PDFZ, the Kirkland-Lake - Larder Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt.

PG 101 (ONTARIO)

History

In December 2008, the Corporation entered into an option agreement to acquire a 50% interest in a 101 mineral claims package totalling 1,626 hectares, situated in Holloway and Marriott Townships in the Larder Lake mining division, district of Cochrane, Province of Ontario. To acquire this 50% interest, the Corporation has paid $300,000 and issued 1,000,000 common shares over the three-year option period. Explor has the right at any time to increase its interest to 70% by the payment of $1,000,000.

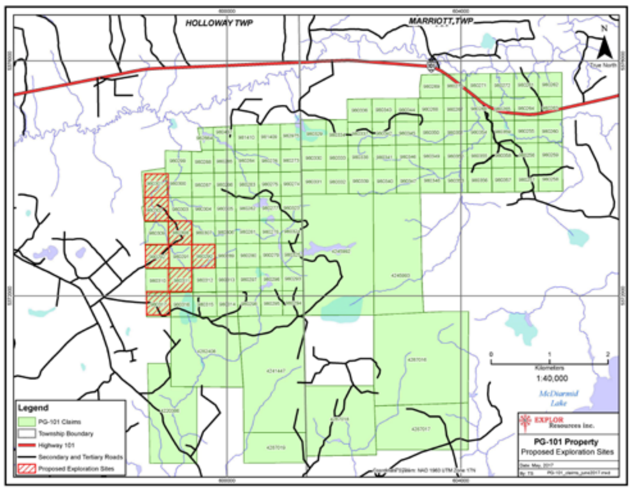
From May 2009 to May 2017, the Corporation entered into three different option agreements to acquire a 100% interest in 84 additional units (8 claims) situated in the Marriott and Holloway Townships. In consideration of this acquisition, the Corporation paid a total of $47,000 and issued a total of 1,000,000 common shares. There is a 2% NSR royalty on the PG 101 property.

In 2018, the Ministry of Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the PG 101 Property now has 170 mining claims.

Location

The PG 101 Property is adjacent to the eastern boundary of St. Andrew Goldfields' former producing Holt Mine property and only a few kilometers east of their Holloway Mine property.

The PG 101 Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults that splay from the Destor-Porcupine fault zone ("DPFZ"). The DPFZ is a major deformation zone that crosses along the north boundary of the PG 101 claims in Marriott Township. Proximity to the DPFZ, the Kirkland-Lake - Larder-Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt.



Work by Explor

In 2008-2009, Explor completed a drilling program on the PG101 Property. Hole PG101-09-01 tested a strong IP anomaly in the area of a regional east northeast trending graphitic shear. Hole PG101-09-02 was drilled on the same structure 400 meters to the southwest.

Hole PG101-09-01returned an intersection of 52.01 g/tonne gold over a core length of three meters (equivalent to 1.843 oz/ton over 9.84 feet) in an altered high iron basalt with quartz-carbonate veining as well as several other intersections presented in the following table.

The results from the drilling indicate that the strike-slip structures that are at or near the contact between Iron-Rich and Magnesium-Rich basalts and contain graphitic material have a high potential for gold mineralization. Located along strike to the southwest are several other areas where a cross fault intersects the southwest trending structure. Within the northern area of the property, there are numerous reported strike-slip fault structures that are along strike from the Holt Mine of St. Andrew Goldfields that would constitute an area of interest.

The Corporation has completed a deep penetrating IP geophysics survey on this property on the fall of 2016. Several deep targets have been found that appear to trend from St Andrew's Goldfields property onto Explor's mining claims. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

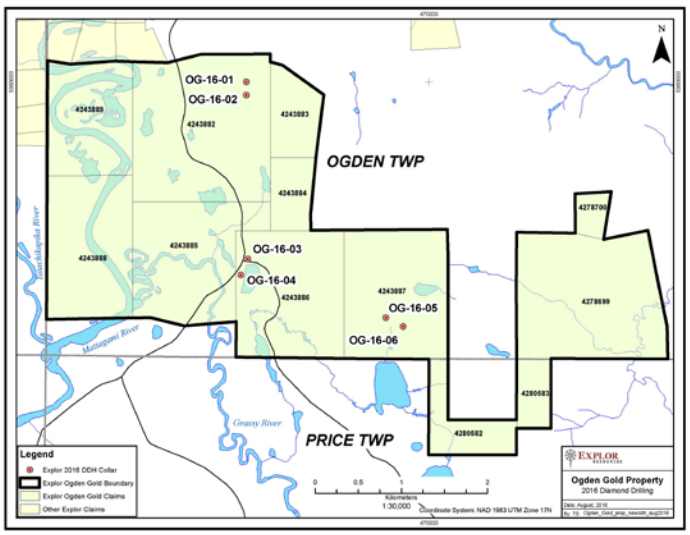
<u>OGDEN PROPERTY (ONTARIO)</u>

History

The Corporation, from December 2014 to December 2017, entered into seven different option agreements to acquire a total of 23 mining claims (118 units) and seven patented claims situated in the Porcupine mining division, district of Cochrane, in the Ogden and Price Townships, Ontario. Explor Resources Inc. paid a total of $117,000CDN and issued a total of 5,060,000 common shares to acquire a 100% interest in the Ogden Property. There is an existing 2% NSR on part of the property and a 2% Gross Overriding Receipts (GOR) royalty on all diamonds extracted from some of the claims. There is also a 2% NSR royalty on the property.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Ogden Property now has 135 mining claims.

The most significant deposits in Timmins are spatially associated with porphyry units that are in proximity to the Porcupine Destor Fault. The deposits appear to be also associated with splay faults that trend off and to the North of the Porcupine Destor fault inside an interpreted splay fault corridor.



The property consists of 23 mining claims (118 mining claims units) and 7 patented mining claims covering 2,006.56 hectares located in the Porcupine Mining Division, in the Cochrane District, in the Ogden and Price Townships, Ontario. These claims are contiguous and east of the Corporation’s Timmins Porcupine West Property (the TPW Property”). The Timmins Porcupine West Project has as a Target Model “The Hollinger-McIntyre-Coniaurum System.” The Hollinger-McIntyre-Coniaurum (HMC) System has produced a total of over 30 million oz of gold is spatially associated with the Pearl Lake Porphyry. The high-grade gold bearing quartz veins which hosted the bulk of the gold at the HMC occurred in the adjacent mafic volcanics, located outboard from the porphyry itself.

In March 2016, the Corporation announced a 3,000-meter diamond drilling program on the property. This diamond drill program concentrated on geophysical targets as identified by Explor’s recent ground geophysical survey and IP work conducted by Inmet and Knick Exploration. Analysis of existing geophysical data along with Explor’s recently completed work has revealed a major geological structure similar to the one located on Explor’s Timmins Porcupine West Gold Property. It would appear to be a continuation of the Bristol Porphyry on the other side of the Mattagami River fault. Previous reconnaissance exploration work by Inmet Mines defined several induced polarization anomalies (1997) and these are incorporated with recent I.P. survey data as the surveys were completed by the same service company and all original data has been acquired by Explor Resources.

The property has been previously explored by Hollinger Mines, Tex-Sol Exploration, Inmet Mining Corporation, Amax Mineral Exploration, Noranda Exploration and Knick Exploration. The majority of the holes drilled by previous operators were less than 100 meters in length. Historically on the Ogden Property, the only hole that hit significant mineralization was a diamond drill hole by Tex-Sol Exploration in 1965 which returned 6.0 g/t Au over 9.1 m at a shallow depth. On the TPW Gold Property significant mineralization was intersected below 300 meters of vertical depth requiring drill holes of 500 to 600 m in length.

The following results were obtained from this first drilling campaign:

Hole #OG-16-02 intersected 2.06 g/t Au over 1.50 meters from 154.5 to 156.0 meters

Hole #OG-16-05 intersected 1.99 g/t Au over 1.80 meters from 438.0 to 439.8 meters.

Explor plans on analyzing the 2016 results in context with the geological information obtained with this preliminary program. A geophysical program has been completed and targets have been defined. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

TIMMINS PORCUPINE WEST (ONTARIO)

History

The Corporation, from July 2009 to March 2012, entered into five option agreements pursuant to which it acquire a 100% interest in a total of 120 claims, 3 patented claims and 3 parcels of mining lands situated in the Bristol and Ogden Townships located in the famous Timmins-Porcupine mining camp within proximity to past and existing producers. Explor paid a total of $295,000 and issued a total of 7,250,000 common shares to acquire a 100% interest in the Timmins Porcupine West Gold Property. Some of the claims are subject to a 3% NSR and some vendors retained a 2% NSR on some of the claims.

In 2018, the Ministry of Energy, Northern Development and Mines implemented a new Mining Lands Administration System (MLAS) providing 24/7 online access to mining lands management. Legacy claims were subdivided differently. Under the MLAS, the Timmins Porcupine West Property now has 264 mining claims.

In June 2013, the Corporation announced that it has signed a Memorandum of Understanding (“MOU”) with the Fling Post First Nation of Nipigon, Ontario and the Mattagami First Nation of Gogama, Ontario (the “First Nations”), with respect to the Timmins Porcupine West Property. The MOU will serve as a framework to govern the relationship between Explor and the First Nations in accordance with their intention of further building a relationship characterized by cooperation and mutual respect, in connection with the development of the Timmins Porcupine West Property. In connection with the MOU for the TPW Property, Explor issued a total of 1,000,000 common shares to the First Nations.

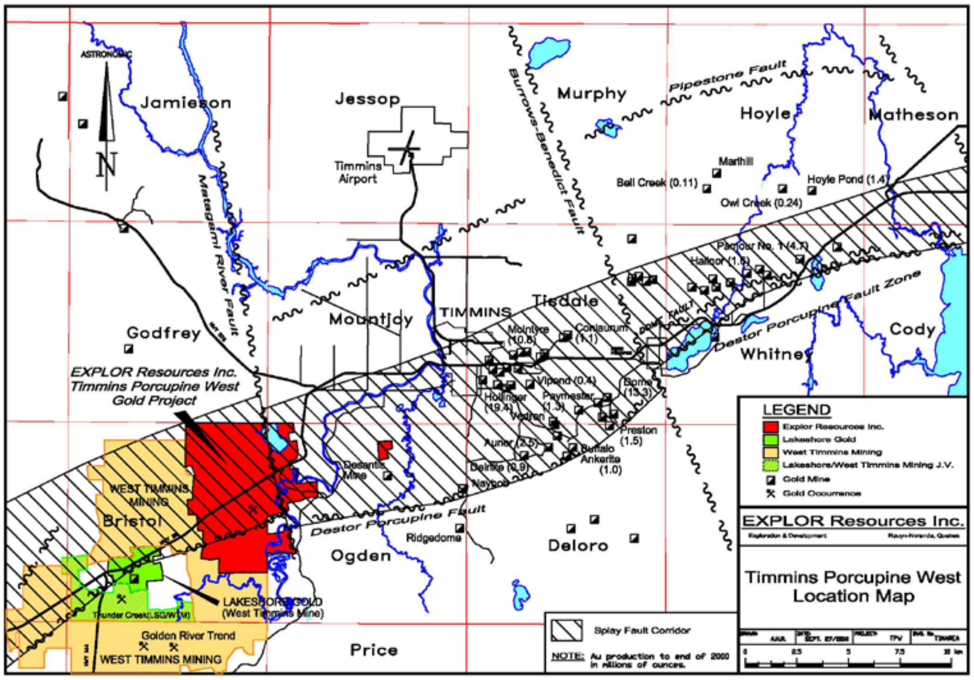
In December 2014, the Corporation entered into an option agreement with Teck Resources Limited (“Teck”) for the Timmins Porcupine West Property whereby Teck could earn up to a 70% interest in the TPW Property. Explor granted Teck the option to acquire an initial 55% interest in the TPW Property (the “First Option”) which Teck might have exercised by incurring an aggregate of CDN$8,000,000 in committed and optional expenditures by May 1, 2019 (the “due date”). In the spring of 2017, Teck decided to terminate the option agreement on the TPW property. Teck did not earn any interest in the property and Explor still holds a 100% interest in the TPW property.

Location

The Timmins Porcupine West Property consists of 185 unpatented mining units and 3 patented mining claims located in the Bristol and Ogden Townships in the Timmins-Porcupine Mining Camp for a total 3,200 hectares as shown on the attached property map. The property is contiguous with West Timmins Mining Inc. (WTM) where WTM intersected 83.40 meters (273.55 feet) grading 12.75 g/t (0.37 oz/t) on their property. (WTM Press Release June 24, 2009) The highway 101 bisects the property and provides access from the city of Timmins located 13 km to the east.

The property has been explored since 1927 by numerous ground geophysical surveys and diamond drilling of up to 111 holes. In 1984, Dome Exploration discovered and delineated a gold mineralized zone that is approximately 350 meters long and 45 meters wide. The zone strikes east northeast and dips to the north at 70 to 80 degrees. Drill programs by Teck Corporation, Cameco Gold and Tom Exploration Inc., have extended the mineralization to 350 meters of depth. The gold mineralization to date appears to be associated with a major porphyry unit.

The most significant deposits in Timmins are spatially associated with porphyry units that are in proximity to the Porcupine Destor Fault. The deposits appear to be also associated with splay faults that trend off to the north of the Porcupine Destor fault inside an interpreted splay fault corridor as shown on the attached plan.



Work by Explor

The existing historical data has been used to create a 3D litho and mineralization model which has generate high quality deep drill targets from the significant shallow gold mineralization inside the splay fault corridor favourable rock package.

The modelling confirms the association of gold mineralization with Quartz feldspar (QFP) and syenite porphyry, found at both the Lakeshore and West Timmins Properties. The modelling has revealed a geo-synclinal structure with a north and south limb with the majority of the drilling to date has been focused on the south limb of the geo-syncline in two mineralized zones. The "A" Zone identified through modelling strikes east northeast and dips to the north at 70 to 80 degrees. The drilling has confirms the association of gold mineralization with Quartz feldspar (QFP) and syenite porphyry, found at both the Lakeshore and West Timmins Properties (now owned by Tahoe Resources Inc.) Five mineralized zones designated "A" thru "E" have been identified. The larger zones of mineralization display a strong spatial relationship with proximity to syenite intrusive rocks and high Fe-tholeitic volcanic rocks. The model may be viewed on our website: www.explorresources.com.

Over the years, Explor completed several phases of drilling. For more information on the previous drill campaigns, please refer to prior Annual MD&A, available on the web site of the Corporation and on SEDAR under the Corporation's profile.

On August 27, 2013, the Corporation released a new estimate of the mineral resources on the TPW property:

Open Pit Mineral Resources at a 0.30 g/t Au cut-off grade are as follows:

Indicated:	**213,000 oz (4,283,000 tonnes at 1.55 g/t Au)**
Inferred:	**77,000 oz (1,140,000 tonnes at 2.09 g/t Au)**

Underground Mineral Resources at a 1.70 g/t Au cut-off grade are as follows:

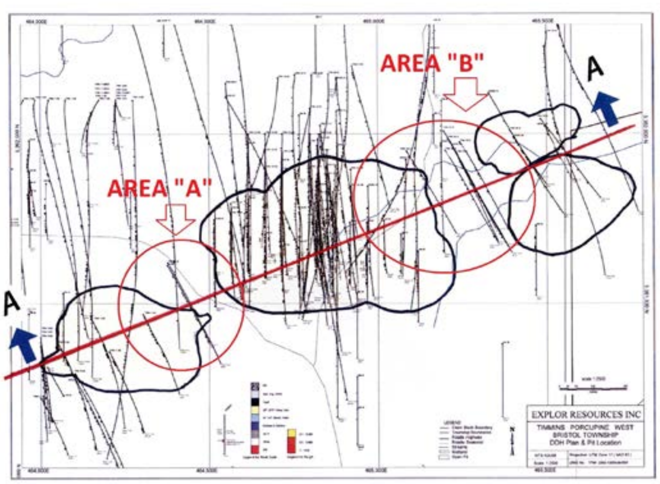
Indicated:	**396,000 oz (4,420,000 tonnes at 2.79 g/t Au)**
Inferred:	**393,000 oz (5,185,000 tonnes at 2.36 g/t Au)**

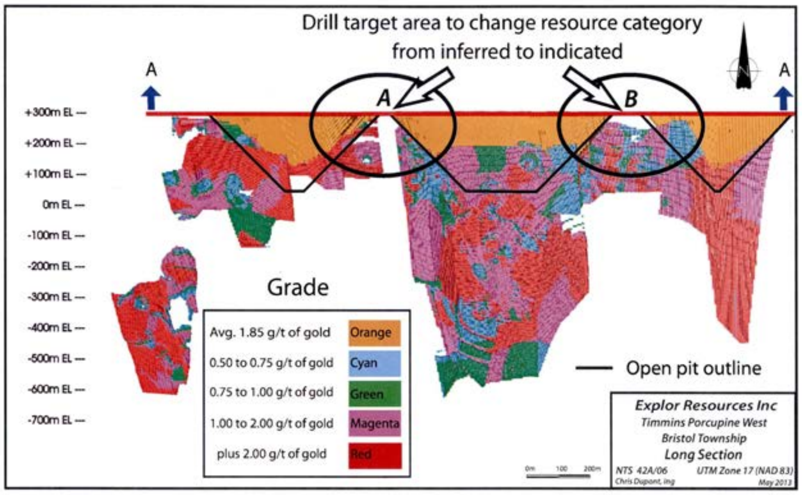
It should be noted that the drilling to June 30, 2013 has yielded **an increase of 104% in Indicated ounces and 190% increase in Indicated tonnes over the December 2012 resource**. Additional near surface planned drilling is expected to further increase the potential open pit-able resource.

Explor retained P&E Mining Consultants Inc., ("**P&E**") being an independent firm in respect of the Company, to prepare a technical report (the "**Technical Report**") on the Timmins Porcupine West Property, entitled "Technical Report, Explor Resources Inc., Timmins Porcupine West Property, Bristol & Ogden Townships, Ontario", in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("**NI-43-101**"). Eugene Puritch, P.Eng., Richard Sutcliffe, P. Geo., Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo. of P&E Mining Consultants Inc., ("**Authors**") all being qualified persons under NI-43-101, are the co-authors of the Technical Report dated July 1, 2013. The Technical Report was filed on August 29, 2013 under the Company's profile on the SEDAR web site at www.sedar.com.

As of the date of this MD&A, the Corporation is of the opinion that there has been no material change in the information concerning the Timmins Porcupine West Property since the date of the Technical Report. The Technical Report was prepared in compliance with Form 43-101F1 —Technical Report of the Canadian Securities Administrators and is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which is available for review under Explor's profile on SEDAR at www.sedar.com.

The DDH and Open Pit Plan view show the location of the three potential Open Pit areas that are located over an 1800 meter strike length and 250 meters of depth. The most recent completed Diamond Drilling Program was concentrated in the eastern end in proximity to and in Area "B" in order to increase the near surface resource and connect the eastern portion of the potential open pit areas.





It is important to note that the strike length of the gold mineralization is greater than 2000 meters at depth. The continuity of mineralization continues to be confirmed, and the structure remains open on strike and at depth. Explor has intersected gold mineralization in 121 out of 126 holes drilled to date and 64 out of 65 wedges. **The Diamond drill Program most recently completed was designed to test the continuity of the near surface gold mineralization as it relates to a potential open pit and to test the interpretation that Shear Zone #5 extends from the west deep high grade zone to the lower grade near surface gold bearing zone.**

A total of 3,163.4 meters were drilled to expand and update the open pit potential of the TPW property of Explor Resources by intersecting North-east-South-west trending Shear Zone #5 that was originally discovered in Hole #TPW-13-101 completed in the 2013 drill program.

The drill program was successful in intersecting Shear Zone #5 in four (4) holes with 14 gold values as well as intersecting an additional 14 gold values from 3 holes drilled in previously untested areas of the mineralized strike length. The addition of 28 gold values ranging from 1.06 to 7.3 g/t Au over 1.5 meters within the proposed open pit area clearly shows the extent and potential of this zone.

In summary, holes #TPW-17-101EX, #TPW-17-102-EX, #TPW-17-103EX and #TPW-17-104EX intercepted Shear Zone #5 with 14 gold values ranging from 1.06 to 7.3 g/t gold over 1.5 meters. As well, new fill in holes #TPW-17-124, #TPW-17-125 and #TPW-17-127 in Area "B" intersected 14 gold values from 1.1 to 5.1 g/t Au over 1.5 meters, mostly from east-west trending Shear Zones #1 to #4.

More importantly, Holes TPW-17-101EX, TPW-17-102EX and TPW-17-104EX intercepted gold values from a previously undetected east-west trending shear which has now been interpreted as Shear Zone # 6.

The spring 2017 drill program to increase the potential of the proposed open pit on the TPW property of Explor Resources was successful as it:

1) **Confirmed our interpretation of the location of Shear Zone #5** and more **importantly the diamond drilling.**
2) **Revealed a gold mineralized Shear Zone to the south of Shear Zone #5 that we now call Shear Zone # 6.**

In May 2018, Explor announced the completion of Preliminary Metallurgical Testing on the low grade near surface gold ore on the Timmins Porcupine West Property. Explor selected a representative sample from diamond drill holes in the area of the potential open pit. A 45 kilogram composite sample of mineralized diamond drill core was sent to SGS Minerals Services in Lakefield, Ontario for metallurgical test-work.

The test program included sample preparation, characterization, and flowsheet development testing. Ore characterization included grindability, mineralogy by QEM-RMS (QEMSCAN) rapid mineral scan, and chemical head grade analysis. Flowsheet development testwork focused on gravity separation, as well as flotation and cyanidation of gravity separation tailing.

In summary, the composite sample was analyzed by a screened metallics protocol and resulted in a head grade of 2.64 g/tonne gold. Testing indicated very little silver and negligible arsenic in the composite sample. It was noted that most of the sulphide sulfur was present as Pyrite (3.07%), Chalcopyrite (approximately 0.12%) and Pyrrhotite (0.02%). The Bond Mill work index was determined to be 13.1 Kwh/tonne. A gravity test was conducted and it was determined that the 37.5% of the gold exists as microscopic free gold, indicating that in any future mill design a gravity circuit will be necessary at the front end of the concentrator. Flotation testing indicated that up to 93% of the gold can be recovered as a pyrite concentrate. Cyanide leach test were conducted on the pyrite concentrate and greater than 94% gold extraction was achieved over a 24 hour period. The gold is not refractory and is not locked within the pyrite. A testing of the tailings product (ABA and NAG testing) indicates that there is no potential for acid generation in the flotation tailings material.

The highlights of the reported test-work includes the following results:

- Gold analysis by screened metallics protocol at +/-150 mesh (106 μm) yielded a head grade of 2.64 g/t Au with >20% of the gold in the coarse fraction indicating favorable recovery by gravity.

- Silver reported at less than the AAS detection limit of +/-0.5 g/t while sulphide sulphur, total carbon and arsenic were assayed at 1.48%, 0.7% and <0.001%, respectively.

- Based on the semi-quantitative QEM-RMS analysis, most of the sulphide sulphur was present as pyrite (3.07%). Chalcopyrite was the second most abundant sulphide mineral at ~0.12% and pyrrhotite was third at 0.02%.

- The Bond ball mill grindability test results indicated that the ore fell in the low medium range of hardness, at 13.1 kWh/tonne. The ore fell at the 36th percentile compared to the SGS database.

- In a batch gravity separation test completed, gravity gold recovery to a low mass concentrates (~0.04% of the feed mass) yielded a gold recovery of 37.5% at a primary grind size P80 of ~130 μm. These initial results suggest a high probability of significant potential for the use of gravity circuit at the front end of the mill. Additional gravity separation testwork is recommended in any future studies.

- Rougher flotation tests on gravity separation tailings indicated that gold recoveries in the ~93% range (including the gold recovered by gravity separation) were achievable in ~5% mass pull at a P80 of ~130 μm. There appeared to be an improvement in gold recovery with finer grinding (to P80 = 59 μm).

- Additional testing will be required to optimize the primary grind size for optimal rougher flotation performance. Additional test work is recommend, examining the cleaning characteristics of the rougher concentrate. It may be possible to generate a cleaner flotation concentrate approaching 50 g/tonne Au, compared to the ~30 g/t generated preliminary metallurgical in the preliminary rougher flotation testwork. Locked cycle flotation testing is also recommended to establish a more realistic understanding of potential gold recovery in closed-circuit in a flotation plant.

- Cyanide leach tests examining the impact of grind size on gold recovery from the gravity separation tailings indicated gold extractions >94% (including gravity separation gold recovery) at P80's of 74 μm or finer. Although the gold appears to be associated with pyrite and floats well with pyrite, it is not refractory and locked in the pyrite. Gold leaching appeared to be essentially complete within 24 hours.

- Further testing to optimize cyanide leach parameters is recommended. This testing should address the optimization of feed particle size, leach retention time, pulp density, and cyanide dosage. This testing should encompass leaching of both whole ore (gravity tailings) as well as float concentrates. Subsequent work is recommended to evaluate the gold recovery circuit (CIP or CIL) and establish preliminary design criteria.

- Baseline environmental evaluation (ABA and NAG testing) of a tailing representing a gravity +rougher flotation flowsheet indicated there is no potential for acid generation in flotation tailings material.

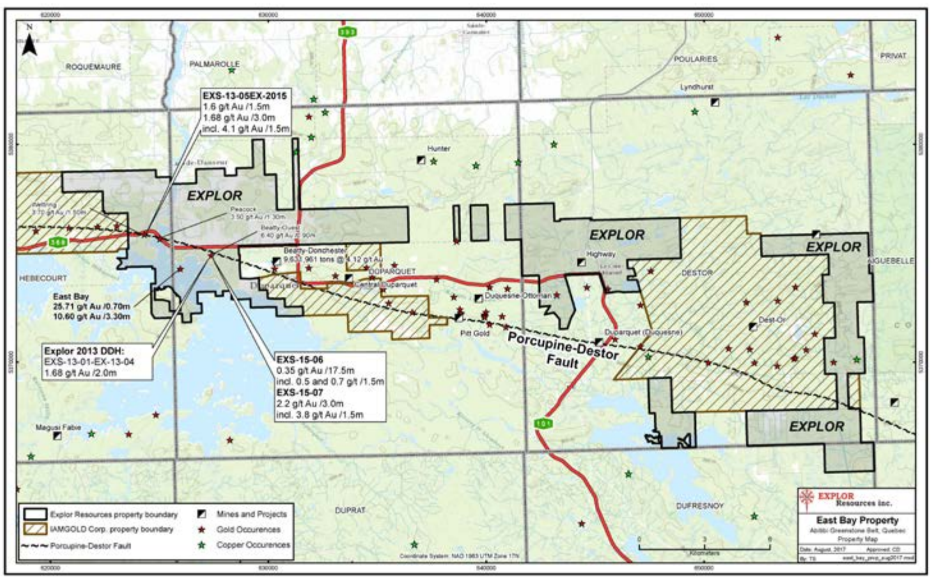
A new access road off of Highway 101 West has been completed in anticipation of a fall and winter drill campaign. A detailed study has been completed on potential diamond drill hole locations in the central open pit in preparation for an updated 43-101 technical report and the generation of a PEA.

Explor plans a new phase of diamond drilling to expand the potential open pit resource and facilitate the analysis of potential open pit mining at the TPW Property.

EAST BAY (QUEBEC)

History

From December 2006 to April 2018, the Corporation entered into fourteen option agreements to acquire a total of 327 claims of the East Bay Property, situated in the Duparquet, Hébécourt, Destor and Dufresnoy Townships, in the Rouyn-Noranda mining camp, Province of Quebec, for a total consideration of $68,500 and issued a total of 1,691,429 common shares. There are a 1% and a 2% NSR royalty on the property.



Location

The East Bay Property now consists of 347 claims located in the Duparquet, Hébécourt, Dufresnoy and Destor Townships, representing a total of 11,005.90 hectares, located near the town of Duparquet. Excellent access is provided by a paved road that connects Highway 101 from Matheson, Ontario to Rouyn-Noranda, Quebec to the property at approximately two kilometres off the highway.

Work by Explor

Explor has completed a study and a complete compilation of work executed in the past, followed by line cutting, magnetic survey and VLF to determine the localization of structural targets on the property. In July 2013, the Corporation completed a drill program on the property. For more details on the 2013 drill program, please refer to the 2013 Annual MD&A available on the Corporation's web site and on Sedar under Explor's profile.

In July 2015, the Corporation started a new exploration program consisting of a drill program to expand the success of the 2013 exploration program. For more details on the 2015 drill program, please refer to the 2015 Annual Report available on the Corporation's web site and on SEDAR under Explor's profile.

In August 2017, the Corporation announced the beginning of a diamond drill program consisting of 3,000 meters. During the winter of 2017, the Corporation completed a geophysical surveys consisting of airborne mag, VLF and

EM by helicopter on the property. This airborne program has defined some very interesting structures on the property.

Explor has recently completed a surface reconnaissance and exploration program where grab samples were taken that graded up to 93 and 100 g/tonne gold.

For more details on the 2017-2018 exploration program on the East Bay Property, please refer to the 2018 annual Report available on the Corporation's web site and on SEDAR under Explor's profile.

With very few drill holes completed so far on the western portion of the property, there is insufficient geological information to clearly understand the complex local tectonics and the anomalous gold zones with confidence. Because of the presence of sheared and altered felsic porphyries and widespread gold mineralization in the ultramafics, the complex tectonic environment, and of very encouraging results, further drilling is highly recommended. In the summer of 2018, Explor completed a ground reconnaissance program and some sampling of outcrops over the eastern part of the property was completed. Results are pending as well as a report from the geologist. An exploration program will be planned on the targets discovered. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses in order to devote its financial resources to other projects.

DESTOR (QUEBEC)

History

In February 2007, Explor entered into an agreement to acquire 10 claims situated in the Destor Township in the Rouyn-Noranda mining camp, Province of Quebec. As a consideration for this property, the Corporation paid $5,000 and issued 100,000 common shares and committed itself to realized work for $200,000 prior to December 31, 2009. The Corporation has been granted an extension by the vendor of the property to incur $220,000 in exploration expenses prior to December 2010. In December 2010, the Corporation obtained a second extension of one year to complete the exploration work, i.e. until December 31, 2011 in consideration of the issuance of 50,000 units in favour of the vendor. Each unit was composed of 50,000 common shares and 50,000 Common Share purchase warrants, valid for a period of 24 months at a price of $0.60 per share. The vendors have retained a 2.5% NSR royalty on these claims. Explor has fulfilled its work commitment and now owns a 100% interest in the Destor Property.

Location

The Destor Property is located in the central part of the Destor Township approximately 42 km north of Rouyn-Noranda, Quebec. Excellent access is provided by Highway 393 that crosses the northern part of the property and connects to the town of Duparquet, Quebec. It covers approximately 279 hectares.

Work by Explor

Explor completed a VTEM survey, compilation and analysis of all existing geological information on the property. In January 2011, a 2,500 drill program was completed. Drill Holes EXS-D-11-02, 03 and 05 were directed under or within 100 metres of historic holes which had returned encouraging gold intersections. Drill Hole EXS-D-11-04 was drilled 200 m along the geological projection of an historic drill hole which had returned anomalous gold mineralization. Drill Holes EXS-D-11-01, 06 and 07 were drilled on untested targets.

Drilling was successful in uncovering gold in wide-ranging concentrations from decametre-wide geochemically anomalous zones, to metre-scale intervals of higher grade material.

Though anomalous gold was encountered in all seven drill holes of the program, Drill Holes EXS-D-11-01, 03, 04 and 06 were particularly enriched.

During the summer of 2018, the Corporation completed a ground reconnaissance program on the property and also some sampling of outcrops was completed. A geological report was completed.

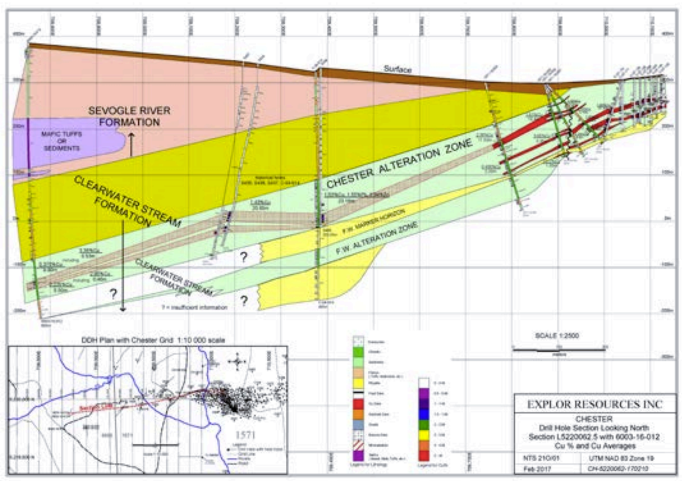
CHESTER (NEW BRUNSWICK)

History

The Corporation, from February 2013 to April 2013, entered into two option agreements to acquire a 100% interest in 114 contiguous claim units located in the Northumberland County, in New Brunswick. To acquire these claims, the Corporation paid a total of $180,000 and issued a total of 7,500,000 common shares. There is a 1% and 2 % NSR on this property.

Explor signed an option agreement in November 2014 with Brunswick Resources Inc. to sell the property. In December 2016, Brunswick returned the Chester Property to Explor because it was not able to comply with the obligations pertaining to the option agreement entered into in 2014.

In February 2019, the Corporation announced that it had entered into an option agreement with Puma Exploration Inc. (“Puma”) for the sale of the Chester property. Explor has granted to Puma the sole and exclusive right and option, over a three-year period, to acquire the Property for the following considerations: i) payment to Explor of an aggregate of $300,000, representing $100,000 per year and ii) Puma shall complete a work program of $1,100,000 on the property, with a minimum of $250,000 during the first year of the option agreement, $350,000 the second year and $500,000 on the third year. Upon the completion of these conditions over a period of three years, Puma will have acquired a 100% interest in the Property. Explor will also retain a 2% NSR royalty on the property. Puma will assume the remaining NSR royalties on the Property in favor of previous owners**.**



Work by Explor

There has been very little exploration work in this area of the Bathurst Mining Camp (BMC) since the initial exploration more than 60 years ago. Of significance also is the fact that three (3) age date studies of the rock in the area since 2005 have indicated an age of 469+/- 0.3 ma. All of the main largest VMS deposits in the BMC (including BMS #12 and #6, the Caribou Deposit (currently being developed by Travalli) and the past producing Heath Steele Mines, are associated with this age date for the footwall felsic rocks. That new data in 2007 places Explor’s Chester deposit is in the same time frame as the Brunswick Mining No. 12 and No. 6 deposits located in the BMC.

In 2014, an extensive ground exploration program was conducted on the Chester property, concentrating mainly west side of the Clearwater Stream in an area that has not been explored since the late 1950’s. The purpose was to explore the possibility of finding additional near surface mineralized zones similar to the known Chester Copper and VMS zones since it has already been confirmed (First Narrows 2004 and historical drilling in 1967-68) that the main zone Copper Stringer deposit exists for 500 to 700 metres west of the calculated resource.

New Brunswick is the home of the No 12 massive sulphide deposit (The Brunswick Deposit) which was in continuous production from 1964 to its closure in March of 2013 (to Feb 2013, 135,903,168 tonnes milled at 3.44 % Pb, 8.74 % Zn, 0.37 % Cu and 102 g/t Ag). The Brunswick deposits (No 6 and No 12) are situated in the Nepisiguit Falls Group of rocks in the Lower Tetagouche group of the BMC. There are 46 known VMS deposits in the BMC.

In 2016-2017, Explor completed a drill program on the property. For results of the drill program and more information on the previous exploration program, please refer to the 2018 annual MD&A report that is available on the Corporation's web site and on SEDAR under Explor's profile.

The **Chester Property** is known to contain both a copper deposit and a VMS deposit. The copper deposit has an Open Pit resource with **Measured & Indicated resource of 1,400,000 tonnes grading 1.38% Cu, 0.06% Zn & 3.5 g/t Ag** and an **inferred resource of 2,089,000 tonnes grading 1.26% Cu** (assayed for Cu only).

Puma Exploration is currently completing ground geological surveys and interpretations on the Property and plans to complete a drilling program in the fall 2019 and winter 2020. During the year ended April 30, 2019, the Corporation impaired the property and its exploration and evaluation expenses to give it a more realistic value of $300,000.

Analysis of the Exploration Expenditures

The Corporation incurred during the three-month period ended July 31, 2019, exploration and evaluation expenses amounting to $3,937 ($118,727 as at April 30, 2019).

	ONTARIO	
	Timmins Porcupine West $	**Kidd Twp $**
Geologists fees	480	-
Rent expenses	1,088	1,088
General exploration and evaluation expenses	1,062	219
Total	**2,630**	**1,307**

No Acquisition for the Three-Month Period Ended January 31, 2019

Royalties on the mining properties are as follows:

PROJECT NAME	**ROYALTY**	**PROJECT NAME**	**ROYALTY**
East Bay	1% and 2%	Destor	2.5%
Carnegie	2%	Timmins Porcupine West	2% and 3%
Eastford Lake	2%	PG-101	2%
Chester	1% and 2%	Golden Harker	2%
Kidd Township	1% and 2%	Launay	2%
Ogden	2%	Montrose/Midlothian	2% and 1%

Person responsible of the technical information
The qualified person pursuant to National Instrument 43-101, responsible of the technical information of the Corporation is Mr. Christian Dupont, P.Eng.

FINANCIAL DATA

This discussion and analysis of the condensed interim financial statements should be read with the condensed interim financial statements of July 31, 2019 and with the audited annual financial statements for the year ended April 30, 2019. The condensed interim financial statements for the three-month period ended July 31, 2019 as well as the corresponding period for last year have been prepared in accordance with *International Financial Reporting Standards* ("*IFRS*"). All monetary values contained in this MD&A are expressed in Canadian currency.

Significant Financial Data

The following table summarizes some financial data presented in the statements of financial position of the Corporation:

YEARS ENDED APRIL 30	**2019** **$**	**2018** **$**	**2017** **$**
Total Assets	30,093,403	36,470,404	35,536,838
Total Liabilities	3,961,635	3,414,498	3,481,694
Revenue	(55,621)	(675)	(32,537)
Net Loss	7,041,278	1,876,472	1,610,084
Net loss per share on a diluted basis	0.04	0.01	0.01

As at April 30, 2019, our total assets amount to $30,093,403 compared to $36,470,404 as at April 30, 2018. Total liabilities are $3,961,635 compared to $3,414,498 in 2018 and are composed of $636,037 ($254,275 in 2018) for accounts payable and accrued liabilities, of $349,060 ($349,060 in 2018) for a provision for penalties and taxes under Part XII.6, of $30,872 ($4,321 in 2018) for the due to directors, of $59,169 ($1,772 in 2018), for the due to related companies; of $2,033,327 ($1,833,180 in 2018) for the debt component of the convertible debentures, $832,714 ($622,409 in 2018) for the current portion of the long-term debt, of $20,456 ($208,381 in 2018) for other liabilities, and of $0 ($141,100 in 2018) for its income taxes and deferred taxes. As at April 30, 2019, the equity is at $26,131,768 compared to $33,055,906 as at April 30, 2018. The Corporation has a guaranteed term deposit reserved for exploration and evaluation for an amount of $57,050 ($56,346 in 2018) in a financial institution bearing interest at a rate of 1.3% (1% in 2018). The Corporation also has a placement of 6,552,807 (6,552,807 in 2018) common shares of Brunswick Resources Inc,, a related mining exploration public company, of a value of $163,820 ($262,112 in 2018).

The Corporation's capital management objective is to have sufficient capital to be able to meet its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient cash to finance the exploration and evaluation expenses, the investing activities and the working capital requirements. There were no significant changes in the Corporation's approach to capital management during the year ended April 30, 2019. The Corporation has no dividend policy.

Quarterly Results (Non-Audited)

	July 31 2019 $	April 30 2019 $	January 31 2019 $	October 31 2018 $	July 31 2018 $	April 30 2018 $	January 31 2018 $	October 31 2017 $
Total Assets	30,094,265	30,093,403	36,100,693	36,153,594	36,319,241	36,470,404	36,379,508	35,220,329
Total Liabilities	4,092,668	3,961,635	3,929,714	3,754,770	3,196,415	3,414,498	3,085,202	3,185,488
Revenue	(142)	(5,621)	(50,000)	-	-	(675)	-	-
Net loss	190,483	6,170,267	221,157	305,471	344,383	555,427	351,885	628,085
Net loss per share on a diluted basis	0.00	0.04	0.00	0.00	0.00	0.00	0.01	0.00

Statements of the Net Loss and of the Comprehensive Loss for the Three-Month Period Ended July 31, 2019

Being a mining exploration company, Explor does not generate any regular earnings so in order to survive; the Corporation has to issue capital stock.

Revenues

The recorded revenues are interests received and other revenues.

Summary of the administrative expenses for the last fourth quarters

	July 31, 2019	**April 30, 2019**	**January 31, 2019**	**October 31, 2018**
Taxes and permits	(1,644)	6,184	10,140	88
Rent expenses	5,557	4,500	5,106	4,500
Office expenses	1,720	337	3,299	4,280
Travelling, promotion and entertainment expenses	6,116	51	5,230	4,535
Insurances	5,273	3,225	3,678	3,679
Registration, listing fees and shareholders’ information	8,364	15,361	798	10,878
Consultant fees	37,250	95,591	44,463	36,000
Professional fees	76,738	20,846	32,739	100,023
Amortization of property, plant and equipment	2,780	2,780	2,780	2,780
Share-based compensation	-	-	-	58,300
Interests and bank expenses	1,451	1,258	568	242
Interests on debentures	46,672	71,671	79,397	60,541
Interests on long-term debt	-	21,935	-	16,264
Transaction costs of debentures recognized	-	2,405	3,087	3,087
Part XII.6 taxes and penalties	-	7,105	253, 657	1,077
Impairment of exploration and evaluation assets	-	5,975,078	-	-
Changes in fair value of investments	-	(32,764)	65,528	131,056
Income taxes and deferred taxes	(652)	(150,731)	(173,785)	(803)

a) During the quarter ended April 30, 2019, the consultant fees are higher because the Corporation incur an amount to a firm to promote Explor.

b) During the quarter ended October 31, 2018, the professional fees are higher because the Corporation recorded legal, audit and accounting fees.

c) As at January 31, 2019, the Corporation recorded a Part XII.6 taxes for an amount of $253,657.

d) During the quarter ended October 31, 2018, an amount of $58,300 was recorded for the grant of 5,300,000 stock options.

e) As at April 30, 2019, the Corporation impaired accumulated exploration and evaluation assets for a total amount of $5,975,078, taking into account the current financial situation and the very low level of its financial resources.

The following table summarizes some of financial data presented in the statement of the net loss and comprehensive loss ended for the three-month periods ended July 31:

	2019 **$**	**2018** **$**
Taxes and permits	(1,644)	8,813
Rent expenses	5,557	5,304
Office rent	1,720	9,475
Travelling, promotion and entertainment expenses	6,116	38,211
Insurance	5,273	3,679
Registration, listing fees and shareholder’s information	8,364	10,690
Consultants fees	37,250	80,250
Professional fees	76,738	90,741
Amortization of property, plant and equipment	2,780	2,780
Interest and bank expenses	1,451	1,115
Interests on debentures	47,672	92,232
Transaction costs of debenture recognized	-	5,151

During the three-month period ended July 31, 2019, the loss before tax of the Corporation is at $191,135 compared to $282,561 as at July 31, 2018.

CASH FLOWS

During the three-month period ended July 31, 2019, the Corporation incurred $3,937 in exploration and evaluation expenditures.

These financing activities are directly linked to the sector of activity of Explor and are in accordance with the plans of management.

SOURCE OF FINANCING

During the three-month period ended July 31, 2019, the Corporation closed one private placement in secured convertible debentures.

In July 2019, the Corporation renewed the $767,500 convertible debentures that matured on April 3 and April 10, 2019. Interest due and unpaid was added to the principal amount of the debentures and a new debenture at $50,000 was issued at the same time. The total amount of convertible debentures issued is $945,212. The debentures are secured by exploration and evaluation assets in connection with the Timmins Porcupine West Property, they bear interest at the rate of 8%, and are convertible into common shares at a price of $0.05 per share and will expire after one year. For each dollar debenture, the Corporation issued 10 warrants for a total of 9,452,120 warrants. Each warrant entitles the holder to subscribe one common share at a price of $0.10 per share for a period of one year, up to July 3, 2020.

In September 2019, the Corporation closed a non-brokered private placement in units for an amount of $500,000. Each unit is composed of one common share and one-half (½) of a share purchase warrant. Each whole warrant allows to buy one additional common share at a price of $0.10 for a period of 24 months ending September 18, 2021. Pursuant to this private placement, the Corporation thus has issued 10,000,000 common shares and 5,000,000 warrants. This private placement is in connection with the amalgamation transaction previously announced by press release on August 22, 2019.

Since some of its financings completed are composed of flow-through units, the Corporation is obligated to allocate the expenditures as exploration and evaluation expenses. Furthermore, the Corporation realizes common shares financings to pay for its current expenditures. Management is aware that it will have to continue its efforts in order to realize others financings to pursue its projects. Exploration and development of the properties of the Corporation might need in the future more financial resources. In the past, the Corporation has been able to finance itself by private placements and public placements. However, there is no guarantee that it will be able to do it in the future.

OBLIGATION AND CONTRACTUAL COMMITMENTS

The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses (CEE), even if the Corporation has committed to take all the necessary measures for this purpose. Refusal of certain expenses by tax authorities would have negative tax consequences for investors.

As at July 31, 2019 and As at April 30, 2019, the Corporation has an amount of approximately $349,000 which is presented as accrued penalties and Part XII.6 taxes in the statement of financial position that has not been yet been assessed by the Provincial Government. It also have Part XII.6 taxes of an amount of about $90,000 to the provincial government presented in the accounts payable and accrued liabilities. Furthermore, in relation with the non-compliance of past flow-through agreements, the Corporation has an amount of approximately $830,000 payable to the CRA presented in the current portion of long-term debt. This regulatory non-compliance brings a significant tax risk for the investors concerned and has a significant financial impact for the Corporation.

Following flow-through shares agreements, as at July 30, 2019, the Corporation has to incur exploration and evaluation expenses amounting to approximately $74,263 ($78,200 as at April 30, 2019). Therefore, at that date, the Corporation does not have necessary liquidities in order to fulfill its financial commitments that have to be met by December 31, 2019. This increases the risk that funds might not be spent in exploration and evaluation expenses.

In March 2018, a claim for damages was filed with the Superior Court of Quebec against the Corporation and the officers and directors for an amount of approximately $631,000. The claim is related to non-compliance with flow-through share agreements signed in the past. In the opinion of the Corporation's management, the claim has little chance of success and it is not very likely that the Corporation will have to disburse a significant amount of money in relation with this litigation. For this reason, as of July 31, 2019 and as at April 30, 2019, no provision appears in the Corporation's financial statements.

Agreements with First Nations

In June 2013, the Corporation has entered into a Memorandum of Understanding with the first nations Flying Post and Mattagami (the "First Nations") pertaining to the exploration of the Timmins Porcupine West property. The Corporation will pay 2% of all direct exploration costs incurred on the Timmins Porcupine West property after the signature date of the agreement with the First Nations.

In February 2016, the Corporation has entered into a Memorandum of Understanding ("MOU") with the First Nations Matachewan and Mattagami (the "First Nations") pertaining to the exploration of the Kidd Township property. This agreement was required in order to comply with the laws in Ontario concerning the exploration of lands on which the First Nations have ancestral rights. In connection with this agreement, the Corporation issued a total of 1,000,000 shares to the First Nations. The Corporation will pay 2% of all direct exploration costs incurred on the Kidd Township property after the signature date of the agreement with the First Nations.

In September 2017, the Corporation has entered into a Memorandum of Understanding ("MOU") with the First Nations Matachewan and Mattagami (the "First Nations") pertaining to the exploration of the Montrose property. This agreement was required in order to comply with the laws in Ontario concerning the exploration of lands on which the First Nations have ancestral rights. In connection with this agreement, the Corporation issued a total of 1,000,000 shares to the First Nations. The Corporation will pay 2% of all direct exploration costs incurred on the Montrose property after the signature date of the agreement with the First Nations.

Agreement with Pure Nickel Inc.

On August 22, 2019, the Corporation announced that it had signed an Amalgamation Agreement (the "Agreement") with Pure Nickel Inc. ("Pure Nickel") to merge the companies on a 54/46 (Explor/Pure Nickel) basis (the "Transaction").

In connection with the Transaction, Pure Nickel will issue approximately 95,198,612 common shares of Pure Nickel in exchange for all of the issued and outstanding common shares of Explor. As a result, upon completion of the Transaction, the combined company will have approximately 177,891,951 shares outstanding with Explor shareholders holding voting control. The completion of the Transaction is subject to all necessary shareholder and regulatory approvals.

Mr. R. David Russell, current Chief Executive Officer of Pure Nickel, will continue as the Chief Executive Officer and President of the new company and Mr. Christian Dupont, of Explor, will become the Vice-President and Chief Operating Officer.

RELATED PARTY TRANSACTIONS AND COMMERCIAL GOALS

Company controlled by the President of Explor Resources Inc.
During the three-month period ended July 31, 2019, the Corporation incurred administrative consultant fees amounting to $27,000 ($108,000 as at April 30, 2019), general administrative expenses amounting to $0 ($2,141 as at April 30, 2019), exploration and evaluation expenses amounting to $0 ($16,770 as at April 30, 2019) and rent expenses of an amount of $4,500 ($18,000 as at April 30, 2019). There is a balance to be paid to this company of $157,500 as at July 31, 2019 ($59,000 to be paid as at April 30, 2019).

Members of the Board of Directors, Senior Officers, Company Controlled by a Director
During the three-month period ended July 31, 2019, the Corporation has incurred administrative consultant fees amounting to $9,000 ($36,000 as at April 30, 2019), registration and listing and information to the shareholders of $0 ($4,257 as at April 30, 2019), and stock-based compensation of $0 ($44,000 as at April 30, 2019). In relation with these transactions, as at July 31, 2019, a balance to be paid of $39,872 ($30,872 as at April 30, 2019) is presented with the due to directors in the statement of financial position.

Corporation that has the Same President, Directors in Common with Explor Resources Inc. and that had the Same Chief Financial Officer up to December 2018.
During the three-month period ended July 31, 2019, the Corporation incurred general administrative fees of an amount of $0 ($1,772 as at April 30, 2019.).

These transactions are concluded in the normal course of business and are measured at the amount of consideration established and agreed by the parties.

Long-Term Debt

The Corporation has a debt owed to the Canada Revenue Agency (CRA), without repayment terms, bearing interest at the rate prescribed by the CRA. The interest rate is 6% as at July 31, 2019 and April 30, 2019 and the current portion of the long-term debt is $832,714.

FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

a) Market Risks

i) Fair Value
Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about the financial instruments. Fair value of cash reserved for exploration and evaluation, cash in trust reserved for exploration and evaluation, term deposit reserved for exploration and evaluation, cash in trust,

others receivable, advances to a related company, due to directors, due to related company, as well as accounts payable and accrued liabilities approximate carrying value due to their short-term. Investments are recorded at fair value. Fair value of the debentures and long-term debt approximate their carrying value as they bear interest at a similar rate to what might the Corporation have on the market.

ii) Fair Value Hierarchy

Investments are measured at fair value and they are categorized in level 1. This valuation is based on data observed in the market. Cash reserved for exploration and evaluation, cash in trust reserved for exploration and evaluation, term deposit reserved for exploration and evaluation and cash in trust are measured at fair value and they are categorized in level 2. Their valuation are based on valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable.

iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to changes in market interest rates. Except for term deposit reserved for exploration and evaluation, debentures and long-term debt, the Corporation's financial instruments do not bear interest. Since the term deposit reserved for exploration and evaluation and the debentures bear interest at a fixed rate, the risk of loss from market fluctuations in the interest rate is therefore minimal. In addition, the long-term debt bear interest at the rate prescribed by the CRA and is revised quarterly. As at July 31, 2019 and as at April 30, 2019, the Corporation holds debentures that bear interest at fixed rates of 8% and a long-term debt at the rate of 6%. Fixed interest rates expose the Corporation to the risk of variation in fair value due to interest rates changes. The Corporation believes that a 0.5% change in interest rates could be reasonably possible. Its effect would be about $285 on the term deposit reserved for exploration and evaluation, $10,338 on debentures and $4,164 on the long-term debt.

iv) Currency Risk

As at July 31, 2019, the Corporation has no amount in the statements of financial position arising from transactions in foreign currencies. As at April 2019, the Corporation has incurred administrative costs in US dollars for $19,404 representing consultant fees. During the previous year, the Corporation incurred administrative costs in US dollars for $135,708 representing consultant fees, travelling and entertainment expenses, registration, listing fees and shareholder's information for respectively amounts of $107,665, $3,154 and $24,889. During the previous year, it also incurred consultant fees in AUD dollars for $14,475. Consequently, certain assets, liabilities and expenses are exposed to foreign exchange fluctuation. As at July 31, 2019, the Corporation has a cash balance of US$625 in US dollars.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Corporation to credit risk mainly consist of cash reserved for exploration and evaluation and term deposit reserved for exploration and evaluation. The credit risk on cash and term deposit reserved for exploration and evaluation is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Therefore, the Corporation does not expect any treasury counterparties to fail in respecting their obligations. The Corporation is subject to concentration of credit risk since the term deposit reserved for exploration and evaluation is held by a single Canadian financial institution. The carrying value of these financial instruments represents the Corporation's maximum exposure to credit risk and there has been no significant change in credit risk since the previous year.

c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has sufficient financing sources. The Corporation establishes budgets to ensure it has the necessary funds to fulfill its obligations. As at July 31, 2019, the Corporation's liquidities are amounting to $68,118 ($65,027 as at April 30, 2019) and its working capital is negative. It also holds investments in a public corporation with a market value of approximately $163,820 ($163 820 as at April 30, 2019) that it could sell if necessary. At the statement of financial position date, its statutory commitments in relation with flow-through financings are amounting to approximately $74,263 ($78,200 as at April 30, 2019) and these expenses must be incurred before December 31, 2019.

*d) **Equity Market Risk***

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in a company that is subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets. Equity investments are valued at fair value using quoted market price which is currently $163,820 ($163,820 as at April 2019).

In order to continue its operations, the Corporation will have to find additional funds and despite the fact that it has been successful in the past, there is no guarantee for the future. Actually, there remains a risk that the Corporation is unable to find cash even if the management believes that it will find the necessary cash to meet its future commitments. Considering the non-respect of some flow-through shares agreements and in view of the negative impact of this fact, the risk is high that the management will have difficulties to obtain the financial resources required for its future projects.

POLICIES AND PROCESSES FOR MANAGING CAPITAL

As at July 31, 2019, the capital of the Corporation consists of equity amounting to $26,001,597 ($26,131,768 as at April 30, 2019). The Corporation's capital management objective is to have sufficient capital to be able to meet its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient cash to finance the exploration and evaluation expenses, the investing activities and the working capital requirements. There were no significant changes in the Corporation's approach to capital management during the three-month period ended July 31, 2019. The Corporation has no dividend policy.

The Corporation is subject to regulatory requirements related to the use of funds obtained by flow-through shares financing. These funds have to be spent in eligible exploration and evaluation expenses. At present, the Corporation did not respect its regulatory requirements in relation with certain past flow-through shares agreements that had to be incurred before December 31, 2014 and before December 31, 2013 before December 31, 2018. In addition, to fulfill its future statutory obligations, the Corporation has to spend approximately $74,263 ($78,200 as at April 30, 2019) in exploration and evaluation expenses before December 31, 2019.

RISK FACTORS

Exploration Risks

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment. The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Corporation may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Corporation to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Corporation's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Corporation and its ability to develop its properties economically. Before it commences mining a property, the Corporation must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

Development of the Corporation's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Corporation will succeed in obtaining the funding required. The Corporation also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices
The factors that influence the market value of gold and any other mineral discovered are outside the Corporation's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

Risks Not Covered by Insurance
The Corporation may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

Tax
No assurance can be given that Canada Revenue Agency or that the Quebec Ministry of Revenue will agree with the Corporation's characterization of expenditures as Canadian exploration expenses.

Dependence on Key Personnel
The development of the Corporation is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Corporation faces competition for personnel from other mining companies.

Conflict of Interest
Certain directors of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and mining of natural resources properties. Such associations may give rise to conflicts of interests from time to time. The directors of the Corporation are required by law to act honestly and in good faith of view of the best interests of the Corporation and to disclose any interest, which they may have on any project or opportunity of the Corporation. If a conflict arises at the meeting of the board of directors, any director in conflict will disclose his interest and abstain from voting on such matter.

ADDITIONAL INFORMATION FOR EMERGING ISSUERS WITHOUT SIGNIFICANT INCOME

The Corporation provides information on deferred exploration and evaluation expenses found in note 7 of its unaudited interim condensed financial statements for the three-month period ended July 31, 2019.

INFORMATION ON OUTSTANDING SHARES

As at July 31, 2019, the share capital of the Corporation is composed of 190,397,224 common shares issued and outstanding and as the date of this MD&A, the share capital of the Corporation is composed of 200,397,224 common shares issued and outstanding.

Options

The Corporation has a stock option plan intended for its officers, consultants and directors. As at September 30, 2019, the stock options are as follows:

Number	Exercise Price	Expiry
925,000	$0.075	05-11-2020
2,600,000	$0.15	03-16-2021
4,700,000	$0.08	08-21-2022
5,300,000	$0.05	09-17-2023
13,525,000		

Share Purchase Warrants

As at September 30, 2019, the Corporation's outstanding purchase warrants are as follows:

Number	Exercise Price	Expiry
1,428,571	$0.12	11-01-2019
6,245,750	$0.12	11-07-2019
13,000,000	$0.10	11-28-2019
2,357,143	$0.10	12-11-2019
157,143	$0.10	12-27- 2019
857,143	$0.10	02-14-2020
642,857	$0.10	03-16-2020
5,000,000	$0.10	09-18-2021
29,688,607		

Warrants issued to Brokers and Intermediaries

As at September 30, 2019, the Corporation's outstanding options issued to brokers and intermediaries are as follows:

Number	Exercise Price	Expiry
666,666	$0.06	12-29-2019
666,666		

STRATEGY AND PERSPECTIVE

The Corporation main focus is on finding high quality exploration properties in the Abitibi Greenstone Belt. It is one of the largest greenstone belts in the world and it has produced over 180,000,000 ounces of gold and more than 450,000,000 tons of Cu-Zn ore. We believe that they are still several "elephants" to be discovered in the Abitibi Greenstone Belt.

The Corporation has for almost 10 years been focusing most of its exploration efforts on its flagship property, the Timmins Porcupine West Gold Project. The continued success of Lake Shore Gold Corp. in the West Timmins Mining Camp and the intersection by West Timmins Mining Inc. (WTM) of 12.75 g/tonne over an interval of 83.40 meters (0.37 oz/ton over an interval of 273.55 feet) on their property in 2009, (WTM Press Release June 24, 2009) has prompted Explor to acquire the Timmins Porcupine West Property ("TPW") in July 2009. Over the years, we added other claims to this Property. The TPW Property has a total surface area of 3200 hectares contiguous with Tahoe Resources' Timmins West Mining property. Another neighbour located to the west of TPW, Metals Creeks Resources ("MEK") reported an intersection of 210.19 g/t Au over 12.53 m, which is very encouraging. (MEK Press Release of May 22, 2013). Explor has completed a 3D model on the property and very interesting deep targets have been defined.

The Corporation has completed 126 holes to date on the property, intersected significant gold mineralization in 121 and intersected gold in 64 out of 65 wedges off of the main pilot holes. Explor has drilled some of the deep targets revealed in the 3D modelling. Some of the deep targets intersected include Hole #12-62W1 which included **14.7 meters of 6.70 g/tonne Au** and Hole #12-73W5 which included **33.5 m of 7.65 g/tonne Au**. The drilling, logging and core analysis started in the fall of 2009 and continues to date. Since the acquisition of the property in late July 2009, the Corporation has confirmed the structural model and completed an initial NI 43-101 technical report on the property and three updates of the mineral resources. A new update of the mineral resource was released on August 27, 2013 and a technical report supporting this new estimate was filed on SEDAR on August 29, 2013. The most recent estimate consists of:

Open Pit Mineral Resources at a 0.30 g/t Au cut-off grade are as follows:

Indicated:	**213,000 oz (4,283,000 tonnes at 1.55 g/t Au)**
Inferred:	**77,000 oz (1,140,000 tonnes at 2.09 g/t Au)**

Underground Mineral Resources at a 1.70 g/t Au cut-off grade are as follows:

Indicated:	**396,000 oz (4,420,000 tonnes at 2.79 g/t Au)**
Inferred:	**393,000 oz (5,185,000 tonnes at 2.36 g/t Au)**

It should be noted that the Open pit Indicated resource increase from 74,000 oz to 213,000 oz and the Indicated underground mineral resource increased from 224,000 oz to 396,000 oz. The conversion of Inferred to Indicated oz is important in bringing the Corporation closer to being able to complete a PEA on the property. The Corporation is looking at several scenarios to accelerate the exploration of the TPW Property. The current market downturn has made it more difficult to find financing opportunities but Explor believes in the value of the TPW Project and remains committed to its exploration and eventual development. A new open pit mineable resource has been defined in addition to the underground resource on the latest update of the mineral resources as stated in Press Release dated April 16, 2013 and August 27, 2013. This is good news for the Corporation since it firms up and converts a significant portion of the Inferred to Indicated oz. The mineralized structure has over 2000 meters of strike length and is open on both end and at depth with potential to significantly increase the resource by additional diamond drilling. Additional drilling and consequently resource increase could conceivably accelerate the development of the TPW property.

In May 2017, Explor announced a 3,000 meters drill program on the property. A total of 3163.4 meters were drilled to expand and update the open pit potential of the TPW property of Explor Resources. Explor intersected North-east-South-west trending Shear Zone #5 on the eastern end of the property, thereby extending the west deep high grade to the eastern end of the property that was originally discovered in Hole #TPW-13-101 completed in the 2013 drill program.

The drill program was successful in intersecting Shear Zone #5 in four (4) holes with 14 gold values as well as intersecting an additional 14 gold values from 3 holes drilled in previously untested areas of the mineralized strike length. The addition of 28 gold values ranging from 1.06 to 7.3 g/t Au over 1.5 meters within the proposed open pit area clearly shows the extent and potential of this zone.

In summary, holes #TPW-17-101EX, #TPW-17-102-EX, #TPW-17-103EX and #TPW-17-104EX intercepted Shear Zone #5 with 14 gold values ranging from 1.06 to 7.3 g/t gold over 1.5 meters. As well, new fill in holes #TPW-17-124, #TPW-17-125 and #TPW-17-127 in Area “B” intersected 14 gold values from 1.1 to 5.1 g/t Au over 1.5 meters, mostly from east-west trending Shear Zones #1 to #4.

More importantly, Holes TPW-17-101EX, TPW-17-102EX and TPW-17-104EX intercepted gold values from a previously undetected east-west trending shear which has now been interpreted as Shear Zone # 6.

Explor has decided to advance the project by the development of the Open Pit in the Central part of the property. Explor estimates that there is a potential 250,000 oz of gold in the central pit are at a grade of 2.0 g/tonne. Explor is currently planning a definition drilling program for this open pit prior to the permit application process for a bulk sample. In May 2018, the Corporation announced the preliminary results of metallurgical testing completed on the gold ore near surface on the Timmins Porcupine West Property. Explor selected representative samples from diamond drill holes in the area of the potential open pit. A 45 kilogram composite sample of mineralized diamond drill core was sent to SGS Minerals Services in Lakefield, Ontario for metallurgical test-work.

The test program included sample preparation, characterization, and flowsheet development testing. Ore characterization included grindability, mineralogy by QEM-RMS (QEMSCAN) rapid mineral scan, and chemical head grade analysis. Flowsheet development testwork focused on gravity separation, as well as flotation and cyanidation of gravity separation tailing.

In summary, the composite sample was analyzed by a screened metallic protocol and resulted in a head grade of 2.64 g/tonne gold. Testing indicated very little silver and negligible arsenic in the composite sample. The Bond Mill work index was determined to be 13.1 Kwh/tonne. A gravity test was conducted and it was determined that the 37.5% of the gold exists as microscopic free gold. Flotation testing indicated that up to 93% of the gold can be recovered as a pyrite concentrate. Cyanide leach test were conducted on the pyrite concentrate and greater than 94% gold extraction was achieved over a 24 hour period. The gold is not refractory and is not locked within the pyrite. A testing of the tailings product (ABA and NAG testing) indicates that there is no potential for acid generation in the flotation tailings material.

In summary, the low-grade gold ore will be easy to process, with a high recovery rate. Since there is no potential of generating acid, this is good news from an environmental point of view. The Corporation is currently studying the possibility of bringing the open pit into production. Once the pit is completed, Explor plans on driving an Exploration ramp from the bottom of the pit to the deep high grade on the western portion of the property. This exploration ramp will facilitate the development of Diamond drill station along the ramp to increase the understanding of the mineralization and the underground resource.

The Kidd Township Project near the Glencore Kidd Creek Mine has also been the focus of Explor's exploration efforts. The Board of directors has decided to focus on Base Metal properties that currently have very promising results. To this end, in 2016, Explor started an exploration and diamond drill program on the property. The 2016 Kidd-Carnegie drill program was successful in that it intersected many of the ore bearing lithological units and marker horizons as within the Kidd Creek Mine. As well, the intersection of 4024 & 15,500 ppm Zn (over 1.1 & 1.0 meters respectively) within cherty tuffs and cherty-exhalite was very encouraging and suggests that both claim blocks may host a Kidd Creek Style Copper- Zinc deposit.

Explor contracted Crone Geophysics to complete a downhole geophysical program and a 3000-meter diamond drill program was completed.

The 2017 diamond drill program in Carnegie Township as initiated by Explor from January to March 2017 was successful in drill testing several magnetic and electromagnetic conducting targets as well as structures within claims 4210980 and patent 4419 with holes KC-17-07, KC-17-08 & KC-17-09. Although no economic zinc, copper, lead or gold values were encountered, this phase of diamond drilling has shown the presence of silica and sericite altered coarse felsic pyroclastics, sulphides, graphitic exhalative horizons and anomalous Zinc values commonly found associated with world class type of VMS deposit similar to the Kidd Creek deposit located immediately to the south.

To date, the East-West extent of the EM conductors in Carnegie Township has not been fully drill tested. As well, the intersection of sericite & silica altered coarse pyroclastics, exhalative horizons, mafic fragmentals, graphitic material and sulphides within KC-17-07, KC-17-08 & KC-17-09 suggests close proximity to vent system similar to that found in the Kidd Creek mine. **Therefore, the next phase of diamond drilling should concentrate on the East-West extent of the electromagnetic feature in claim 4210980 east and west of the 1.5% (15000 ppm Zn) in Hole KC-16-03.**

In November 2016, the Corporation announced the preliminary results of the drill program on the Chester property. The Corporation reported 2.187 % Cu over 9.66 meters amongst other results for Hole #1571-16-001. A total of 6 zones of copper mineralization were intersected in Hole # 1571-16-001. In January 2017, the Corporation reported 3.20% Cu over 6.00 meters amongst other results for Hole #1571-16-002. A total of 8 zones of copper mineralization were intersected in Hole #1571-16-002. Explor also reported 3.65% Cu over 5.35 meters for Hole #1571-16-003 amongst other results. A total of six zones of copper mineralization was intersected in Hole #1571-16-003. In March 2017, the Corporation reported 2.36% Cu over 11.50 meters amongst other results from Hole #1571-16-004. A total of nine zones of copper mineralization was intersected in Hole # 1571-16-004. Zinc mineralization of 1.25% over 1.0 meter was also intersected in this hole. Explor also reported 3.38% Cu over 0.53 meters from Hole #1571-16-012 amongst other results. A total of five zones of copper mineralization was intersected in Hole #1571-16-012.

In February 2019, the Corporation announced that it had entered into an option agreement with Puma Exploration Inc. ("Puma") for the acquisition of the Chester property. Explor has granted to Puma the sole and exclusive right with an option, over a three-year period, to acquire the Property for the following considerations: i) payment to Explor of an aggregate of $300,000, representing $100,000 per year and ii) Puma shall complete a work program of $1,100,000 on the property, with a minimum of $250,000 during the first year of the option agreement, $350,000 the second year and $500,000 on the third year. Upon the completion of these conditions over a period of three years, Puma will have acquired a 100% interest in the Property. Explor will also retain a 2% NSR royalty on the property. Puma will assume the remaining NSR royalties on the Property in favor of previous owners**.**

The East Bay Property, located in the Duparquet, Hébécourt, Dufresnoy and Destor Townships, Province of Quebec, is another promising project of the Corporation. It is situated along the Destor-Porcupine Fault. Explor has recently completed a surface reconnaissance and exploration program where grab samples were taken that graded up to 93 and 100 g/tonne gold.

In December 2017, the Corporation completed a 3,443 meters (8 diamond drill holes) drill program on the property. The exploration program was based on the coincident geophysical and geochemical anomalies as well as a study by CONSOREM using Paleo-Stress Modeling as it related to the mineralization along the PDFZ in the Duparquet Mining Camp. Drill results up to 4.83 g/tonne over 2.5 meters were obtained. Of significance, discovered during this exploration program was the discovery of highly anomalous gold zone in sediments in one of the holes drilled.. A ground reconnaissance survey was completed in the summer of 2018. Outcrop sampling has also been completed.

On August 22, 2019, the Corporation announced that it had signed an Amalgamation Agreement (the “Agreement”) with Pure Nickel Inc. (“Pure Nickel”) to merge the companies on a 54/46 (Explor/Pure Nickel) basis (the “Transaction”) to form a new company (“Amalco”).

In connection with the Transaction, Pure Nickel will issue approximately 95,198,612 common shares of Pure Nickel in exchange for all of the issued and outstanding common shares of Explor. As a result, upon completion of the Transaction, the combined company will have approximately 177,891,951 shares outstanding with Explor shareholders holding voting control. The completion of the Transaction is subject to all necessary shareholder and regulatory approvals.

Under the terms of the Agreement, Pure Nickel has agreed to subscribe for 10,000,000 units of Explor at a price of $0.05 per unit, representing a total amount of $500,000. Each unit of Explor is comprised of one common share and one-half of one common share purchase warrant. Each whole purchase warrant will be exercisable into one common share at a price of $0.10 per share for a period of 24 months. The securities that will be issued at the closing of this private placement will be subject to a hold period of four months and one day from closing. Explor intends to use the funds from the private placement to complete the Transaction and for general corporate purposes. The private placement is subject to TSX Venture Exchange approval.

Mr. R. David Russell, current CEO of Pure Nickel, will continue as the Chief Executive Officer and President of the new company (Amalco) and Mr. Christian Dupont, of Explor, will become the Vice President and Chief Operating Officer.

The Board of directors of Explor believes that this Amalgamation with Pure Nickel is in the best interests of the Company’s shareholders and will increase shareholder value. The resulting company will work on advancing its gold projects to production such as the Timmins Porcupine Gold Project and Pure Nickel’s Neal Gold Project.

Both Pure Nickel and Explor Resources executives have geological, mining and management history for developing similar type of deposits within the Timmins Gold Mining Camp. Mr. Russell, as the Apollo Gold CEO, led the acquisition and re-development of the Glimmer Gold Mine starting in 2002, it later became the Black Fox Mine from 2002 – 2010 within the Apollo Gold Company. (Note: The Black Fox Mine has been in production since 2008 and is still in production today and operated by McEwen Mining.)

The market has been pretty hard on junior exploration companies and producers. The price of gold is showing an upward trend with trading going up and trading at over US$1,500.00. The popularity of the cannabis companies and block-chain projects continues to draw high risk capital from the exploration market as those individuals wishing to make a quick buck have put their money into the flavour of the day investments and have made it difficult to find financings. But the Board of Directors looked at various ways to increase shareholder value and an amalgamation with another junior with the expertise and financing capability became the option of choice to explore and eventually develop the Timmins Porcupine West Gold Project. The Corporation continues to evaluate and study properties in the Abitibi Greenstone Belt as they become available in order to determine if they have the potential to increase shareholder value.

ADDITIONAL INFORMATION AND ONGOING DISCLOSURE

This interim MD&A was prepared as of September 30, 2019. The Corporation regularly discloses additional information by means of press releases and interim financial statements and MD&A on SEDAR's website (www.sedar.com) or on the Corporation's web site (www.explorresources.com).

CERTIFICATE

This MD&A was approved by the board of directors.

(s) Christian Dupont
Christian Dupont
September 30, 2019

SCHEDULE F
INFORMATION CONCERNING THE COMBINED COMPANY

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Combined Company. As the Combined Company will be a combination of the businesses of Pure Nickel and Explor, this section only includes information respecting the Combined Company after the Transaction that is materially different from information provided earlier in this Circular regarding Pure Nickel and Explor pre-Closing. See the various headings under Information Concerning Explor attached hereto as Schedule C for additional information regarding Explor. See also the Pro Forma Financial Statements of the Combined Company attached hereto as Schedule G.

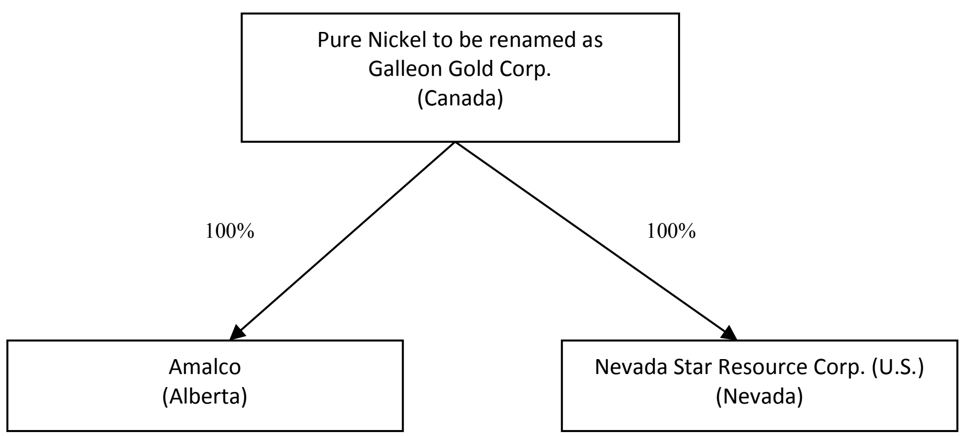
CORPORATE STRUCTURE

Following completion of the Transaction, Pure Nickel will continue the current operations of Pure Nickel and Explor under the name "Galleon Gold Corp." and will be governed by the laws of the *Canada Business Corporations Act* (CBCA). The Combined Company (previously known as Pure Nickel) will, immediately following the Effective Time, directly own all of the outstanding Amalco Shares and Amalco will be a wholly-owned subsidiary of the Combined Company.

The business operations of the Combined Company will be headquartered in Toronto and the registered and recorded office of the Combined Company will be located at 161 Bay St., Suite 2700, Toronto, Ontario M5J 2S1.

The Combined Company will own and hold all of the property of Pure Nickel and Explor and all rights, contracts, permits and interests of Pure Nickel and Explor will be rights, contracts, permits and interests of the Combined Company.

The following diagram sets out the corporate structure of the Combined Company following the completion of the Transaction:



DESCRIPTION OF THE BUSINESS OF THE COMBINED COMPANY

On completion of the Transaction, the Combined Company will carry on the business operated by Pure Nickel and Explor and its efforts will be directed at the development of the TPW Property and the Neal Project.

The Combined Company's portfolio of assets will include the following:

1. Material mineral properties: TPW Property and Neal Gold Project,
2. Other mineral properties: William Lake Property, PG-101 Property, Montrose/Midlothian Property, Kidd Township Property, Golden Harker Property, Eastford Lake Property, Carnegie Property, Ogden Property, East Bay Property, Nelligan Property, Launay Nickel Project, Destor Property, Chester VMS & Copper Project (currently under option to Puma Exploration Inc.)

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Combined Company post-Closing will be the same as the current authorized share capital of Pure Nickel Inc. Pure Nickel is currently authorized to issue an unlimited number of common shares without par value. As at November 8, 2019, there were 86,493,339 common shares issued and outstanding.

The holders of the common shares are entitled to:

- one vote for each common share held at all meetings of shareholders of Pure Nickel; and
- receive, rateably, the remaining property of the company after payment or provision for its liabilities in the event of the liquidation, dissolution or winding up, whether voluntary or involuntary, or any other distribution of the assets of the company among its shareholders for the purpose of winding up its affairs.

Upon completion of the Transaction, it is anticipated that there will be 181,691,951 common shares outstanding, on a non-diluted basis. See "*Selected Unaudited Pro Forma Consolidated Financial Information*" in this Circular.

SELECTED UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION

The selected unaudited pro forma consolidated financial statements of the Combined Company and accompanying notes are included in Schedule G to this Circular. The following selected unaudited *pro forma* consolidated financial information is based on the assumptions described in the respective notes to the unaudited pro forma consolidated financial statements included in Schedule G.

The pro forma condensed consolidated statement of financial position at August 31, 2019 gives effect to the Transaction as if it had occurred on August 31, 2019. The pro forma condensed consolidated statement of loss and comprehensive loss for the year ended November 30, 2018 and the nine months ended August 31, 2019 give effect to the Transaction as if it had occurred on December 1, 2017.

The table below includes certain historical results for each Pure Nickel and Explor and on a pro forma basis. Please read with the accompanying notes in Schedule G.

	Nine months ended August 31, 2019			Year ended November 30, 2018		
	Pure Nickel	**Explor**	**Pro forma**	**Pure Nickel**	**Explor**	**Pro forma**
	$	$	$	$	$	$
Condensed Consolidated statements of loss and comprehensive loss						
Other revenue	-	55,763	55,763	-	50,675	50,675
Net loss	(595,408)	(6,581,907)	(7,716,290)	(734,621)	(1,451,617)	(3,398,919)
Net loss and comprehensive loss	(594,908)	(6,581,907)	(7,715,790)	(716,024)	(1,451,617)	(3,380,322)
Loss per share -baseic and diluted			(0.05)			(0.02)

	As at August 31, 2019		
	Pure Nickel	**Explor**	**Pro forma**
	$	$	$
Condensed Consolidated statement of financial position			
Total assets	477,014	30,094,265	14,564,344
Total liabilities	1,011,252	4,092,668	7,745,300
Total equity (deficit)	(534,238)	26,001,597	6,819,044

PRO FORMA CONSOLIDATED CAPITALIZATION

A breakdown of the approximate capitalization of the Combined Company expected to result after giving effect to the Transaction are presented in Schedule G. Differences between the preliminary and estimates and the final acquisition accounting will occur and these differences could have a material impact on the accompanying pro forma consolidated financial statements and future results of operations and financial position.

DIVIDENDS

Neither Pure Nickel nor Explor have, since the date of its incorporation, declared or paid any cash dividends on its shares and do not currently have a policy with respect to the payment of dividends. For the immediate future the Combined Company does not envisage any earnings arising from which dividends could be paid. The payment of dividends in the future will depend on the earnings and the Combined Company's financial condition and such other factors as the Combined Company's Board considers appropriate.

PRINCIPAL SECURITYHOLDERS

To the best of the knowledge of the directors and officers of Pure Nickel and Explor, upon completion of the Transaction, other than as set out below, there will be no persons or companies who will beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to the Combined Company Shares, after giving effect to the Transaction.

STOCK EXCHANGE LISTING

On completion of the Transaction, it is expected that the Combined Company Shares will continue to trade on the TSXV under the symbol "GGO".

DIRECTORS AND OFFICERS

On completion of the Transaction, it is expected that three existing directors of Explor will be added to the Board of Pure Nickel. The names, province and country of residence, date since each became a director where applicable, positions held with the company and principal occupation for the past five years of the directors and executive officers of the Combined Company are as set out below. The information below also includes additional required to be made by "Junior Issuers" regarding its directors, officers, employees and contractors who expertise is critical to Pure Nickel. The directors who are expected to be members of the Audit Committee and Nominating, Corporate Governance and Compensation Committees are indicated.

Name, Age, Province and Country of Residence, Position, and Contractor or Employee	Director Since	Principal occupation (for the past five years unless otherwise shown) and Industry Experience	Full Time or Part Time	Non-Disclosure Agreement	Non-Competition Agreement
Thomas S. Kofman, CPA, CA(1)(2) Age: 59 Ontario, Canada Director	2012	Mr. Kofman has over 25 years of experience in North American capital markets as both issuer and banker. He was a founder and chairman of M Partners Inc., an independent full-service investment bank until April 2018. Mr. Kofman has served as Senior Vice President and Chief Financial Officer of IPC Financial Network Inc., Vice President of Finance and Chief Financial Officer of RealFund as well as Freed Developments. Mr. Kofman is a Chartered Professional Accountant and received a Bachelor of Arts degree from York University.	N/A	N	N

Name, Age, Province and Country of Residence, Position, and Contractor or Employee	Director Since	Principal occupation (for the past five years unless otherwise shown) and Industry Experience	Full Time or Part Time	Non-Disclosure Agreement	Non-Competition Agreement
James T. O'Neil, Jr. CMA(1)(2)(3) Age: 76 Arizona, USA Independent	2019	Mr. O'Neil is a senior executive with 45 years of experience in the metal mining and processing industry. He is the former CEO and board member of Gryphon Gold Corporation and has held senior executive positions with major international mining companies Grupo Mexico, ASARCO, and Southern Copper Corporation. He has served on the board of directors or in executive positions with several junior mining companies such as Jipangu International, Apollo Gold, Rye Patch Gold, Josephine Mining and Jerritt Canyon. He holds a Bachelor and Master of Science from Arizona State University and is a Certified Management Accountant (CMA).	N/A	N	N
R. David Russell(1)(2)(3) Age: 63 Colorado, United States CEO & President Chair of the Board and Director Employee	2006	Mr. Russell was appointed CEO and President of Pure Nickel in January 2019, he has over three decades of executive experience in the mineral exploration and development industry. Mr. Russell was the Founder, President, CEO and Director, from 2002 to 2010, of the former Apollo Gold Corporation, (Rebranded as Brigus Gold and later merged with Primero Mining and First Majestic Silver). Additional positions included Vice-President and Chief Operating Officer of Getchell Gold Company/Placer Dome Gold, General Manager, US Operations, LAC Minerals Ltd. (now Barrick Gold), Manager, Underground Mining, Independence Mining Company, Project Manager, Hecla Mining Company, Manager, Lincoln Project FMC/Meridian Gold. Mr. Russell graduated from the Montana School of Mineral Science and Technology with a Bachelor of Science Degree in Mining Engineering.	Full Time	Y	N

Name, Age, Province and Country of Residence, Position, and Contractor or Employee	Director Since	Principal occupation (for the past five years unless otherwise shown) and Industry Experience	Full Time or Part Time	Non-Disclosure Agreement	Non-Competition Agreement
W.S. (Steve) Vaughan(2)(3) Age: 81 Ontario, Canada Director	2007	Mr. Vaughan, a lawyer, has participated in natural resource transactions in more than 65 countries over his career. Mr. Vaughan has served on various committees advising the Canadian government, the Ontario Securities Commission and the Toronto Stock Exchange on issues such as mineral policy, mineral strategy, mining finance, mining taxation, seed capital formation, junior resource policies, over-the-counter trading and nuclear issues. For 40 years Mr. Vaughan was the legal advisor to, and a director and member of, the Securities and Audit Committees of the Prospectors and Developers Association of Canada. He also was a former director of the Toronto Branch of the Canadian Institute of Mining, Metallurgy and Petroleum and a past member of the Joint Toronto Stock Exchange Ontario Securities Commission Mining Standards Task Force. Mr. Vaughan was counsel at the law firm Heenan Blaikie LLP from 2007 to February 2014 and a partner at the law firm Dorsey Whitney LLP in February 2014 until December 2016. He is currently a sole practitioner mining lawyer with an international practice.	N/A	N	N
Christian Dupont(3) Age: 68 New Brunswick, Canada Vice President, COO & Director Employee	-	Mr. Dupont, a mining engineer with a B.Eng. Degree from Nova Scotia Technical College, Halifax, Nova Scotia, has been active in the mining industry since the early 1970's. Mr. Dupont has been the President and CEO of Explor Resources Inc. since October 2005. Previously he held positions as senior mining engineer for Noranda and chief engineer for Exall Resources, as well as project manager for Luzenac Inc., a producer of micronized talc products. His past experience includes President and Director of Kayorum Gold Mines from 1992 to 1997, Director of Fieldex Exploration from 1997 to 1998 and Vice President and Director of TOM Exploration from 2000 to 2006. He has been President, CEO and a director of Brunswick Resources Inc., since December 2013.	Full time	TBD	TBD

Name, Age, Province and Country of Residence, Position, and Contractor or Employee	Director Since	Principal occupation (for the past five years unless otherwise shown) and Industry Experience	Full Time or Part Time	Non-Disclosure Agreement	Non-Competition Agreement
Mario Colantonio[3] Age: 57 Ontario, Canada	-	Mr. Colantonio is a professional engineer and has been active in the mining industry since the mid 1980's. He received a B.SC. Degree in civil engineering from Queen's University, Kingston, Ontario in 1985. His primary focus has been the engineering and management for capital and maintenance projects for mine/mill infrastructures including feasibility studies. He has held senior engineering management positions for AMEC and is presently president of a privately-owned engineering consulting firm. Since December 2013, he has been a director of Brunswick Resources Inc	N/A	N	N
Gerhard Merkel[1][2] Age: 46 Sinsheim, Germany	-	Mr. Merkel has extensive experience as a CEO and CFO. He was CEO and CFO of Metex (Germany) Trading Company from 1994 to 2005. From 2005 to present, he has been CFO and COO of CGM Import-Export Ltd (Portugal) Import/Export, a wholesale and retail of catering equipment company and producer of catering accessories.	N/A	N	N
Sonia Agustina, CPA, CA Age: 41 Ontario, Canada Chief Financial Officer Employee	N/A	Ms. Agustina was appointed CFO in March, 2018. Ms. Agustina is a Chartered Professional Accountant (CPA, CA) with 17 years of audit and public market experience with a Bachelor of Administrative Studies (Honours) from York University.	Part Time (20%)	N	N
Lisa Buchan Age: 53 Ontario, Canada Corporate Secretary Employee	N/A	Ms. Buchan was appointed Corporate Secretary of Pure Nickel in April 2008, and has been involved in the management of the business since January 2007. Ms. Buchan holds a BScH (Chemical Engineering) from Queen's University, Kingston and an MBA from York University.	Full Time	N	N

(1) Proposed Member of Audit Committee
(2) Proposed Member of Corporate Governance and Nominating Committee, and Compensation Committee
(3) Proposed Member of the Technical, Health, Safety and Environmental Committee

RISK FACTORS

The risk factors relating to the Combined Company are not expected to differ significantly from the risk factors applicable to Pure Nickel's and Explor's individual businesses. The risk factors relating to the Combined Company are discussed in the Circular under the heading "Risk Factors". The risk factors related to the business of Explor are discussed in greater detail in "Information Concerning Explor" attached as Schedule C to this Circular.

AUDITOR

Following the completion of the Transaction, it is expected that the auditor for the Combined Company will continue to be Grant Thornton LLP.

REGISTRAR AND TRANSFER AGENT

Following the completion of the Transaction, the transfer agent and registrar of the Combined Company will continue to be Computershare Trust Company of Canada.

PURE NICKEL INC.

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019

AND FOR THE YEAR ENDED NOVEMBER 30, 2018

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

PURE NICKEL INC.

Pro Forma Condensed Consolidated Statement of Financial Position
As at August 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

	Pure Nickel Inc.	Explor Resources Inc.	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	$	$		$	$
ASSETS					
Current					
Cash	62,729	-	5(i)	2,893,800	3,354,279
			5(ii)	100,000	
			5(iii)	297,750	
Restricted cash equivalents	2,500	-		-	2,500
Investments	113,710	163,820		-	277,530
Other receivables	-	2,185		-	2,185
Prepaid expenses	7,687	12,112		-	19,799
Taxes receivable	8,420	4,181		-	12,601
Total current assets	195,046	182,298		3,291,550	3,668,894
Cash reserved for exploration and evaluation	-	10,926		-	10,926
Term deposit reserved for exploration and evaluation	-	57,192		-	57,192
Advances on exploration and evaluation expenses	-	1,882		-	1,882
Property, plant and equipment	10,838	37,022		-	47,860
Royalty interest	1	-		-	1
Exploration and evaluation assets	271,129	29,804,945	4	(19,298,485)	10,777,589
Total assets	**477,014**	**30,094,265**		**(16,006,935)**	**14,564,344**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Current					
Accounts payable and accrued liabilities	1,011,252	720,917	5(iv)	200,000	1,932,169
Accrued penalties and Part X11.6 taxes	-	349,060		-	349,060
Debt component of convertible debentures	-	2,170,173	4	(2,170,173)	4,611,553
			4 (iv)	1,197,474	
			4	863,684	
			5(i)	2,282,420	
			5 (iii)	267,975	
Current portion of long-term debt	-	832,714		-	832,714
Total current liabilities	1,011,252	4,072,864		2,641,380	7,725,496
Other liability	-	19,804		-	19,804
Total liabilities	**1,011,252**	**4,092,668**		**2,641,380**	**7,745,300**
Shareholders' equity (deficit):					
Share capital	53,912,125	56,786,742	4	(56,786,742)	59,794,241
			4(i)	5,711,917	
			5(i)	99,000	
			5(ii)	71,199	
Equity component of convertible debentures	-	78,750	4	(78,750)	810,919
			4(iv)	176,878	
			4(v)	91,886	
			5(i)	512,380	
			5(iii)	29,775	
Reserves	95,373	14,933,338	4	(14,933,338)	955,620
			4(ii)	360,223	
			4(iii)	471,223	
			5(ii)	28,801	
Accumulated other comprehensive income	1,469,567	-		-	1,469,567
Deficit	(56,011,303)	(45,797,233)	4	14,933,338	(56,211,303)
			4	30,863,895	
			5(iv)	(200,000)	
Total shareholders' equity (deficit)	(534,238)	26,001,597		(18,648,315)	6,819,044
Total liabilities and shareholders' equity (deficit)	**477,014**	**30,094,265**		**(16,006,935)**	**14,564,344**

PURE NICKEL INC.

Pro Forma Condensed Consolidated Statement of Loss and Comprehensive Loss
For the year ended November 30, 2018
(Expressed in Canadian Dollars)
(Unaudited)

	Pure Nickel Inc.	Explor Resources Inc.	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	$	$		$	$
Expenses:					
Administration and general	299,382	902,493		-	1,201,875
Interest on debentures	-	335,505	4(iv)	240,736	1,348,186
			4(v)	157,145	
			5(i)	558,776	
			5(iii)	56,025	
Interest on long-term debt	-	53,260		-	53,260
Transaction costs of debentures recognized	-	17,274		-	17,274
Compensation paid in relation with good standing of mining claims	-	-		-	-
Part X11.6 taxes and penalties	-	267,517		-	267,517
Impairment of royalty interest	432,314	-		-	432,314
Impairment of exploration and evaluation properties	1,461	-		-	1,461
Loss before other income (expenses)	(733,157)	(1,576,049)		(1,012,682)	(3,321,887)
Other income (expenses):					
Revenue	-	50,675		-	50,675
Loss on receivable settlement	-	(57,723)		-	(57,723)
Interest income	183	-		-	183
Transaction cost	-	-	5(iv)	(200,000)	(200,000)
Foreign exchange loss	(1,647)	-		-	(1,647)
Loss before income taxes	(734,621)	(1,583,097)		(1,212,682)	(3,530,399)
Income taxes and deferred taxes	-	131,480		-	131,480
Net loss for the year	(734,621)	(1,451,617)		(1,212,682)	(3,398,919)
Other comprehensive income					
Currency translation adjustment	18,597	-		-	18,597
Total loss and comprehensive loss for the year	(716,024)	(1,451,617)		(1,212,682)	(3,380,322)
Net loss per share					
Basic and diluted			7	$	(0.02)
Weighted-average number of common shares outstanding					
Basic and diluted			7		163,343,486

PURE NICKEL INC.

Pro Forma Condensed Consolidated Statement of Loss and Comprehensive Loss
For the nine months ended August 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

	Pure Nickel Inc.	Explor Resources Inc.	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	$	$		$	$
Expenses:					
Administration and general	867,065	402,539		-	1,269,604
Interest on debentures	-	198,740	4(iv)	70,075	737,715
			5(i)	468,900	
Interest on long-term debt	-	21,935		-	21,935
Transaction costs of debentures recognized	-	5,492		-	5,492
Compensation paid in relation with good standing mining claims	-	-		-	-
Part X11.6 taxes and penalties	-	260,762		-	260,762
Exploration and business development	24,078	-		-	24,078
Impairment of exploration and evaluation properties	325	5,975,078		-	5,975,403
Loss before other income (expenses)	(891,468)	(6,864,546)		(538,975)	(8,294,989)
Other income (expenses):					
Revenue	-	55,763		-	55,763
Interest income	48	-		-	48
Gain on exploration and evaluation and properties	213,463	-		-	213,463
Unrealized loss on FVTPL investments	(25,569)	(98,292)		-	(123,861)
Royalty income	111,019	-		-	111,019
Foreign exchange loss	(2,901)	-		-	(2,901)
Loss before income taxes	(595,408)	(6,907,075)		(538,975)	(8,041,458)
Income taxes and deferred taxes	-	325,168		-	325,168
Net loss for the period	(595,408)	(6,581,907)		(538,975)	(7,716,290)
Other comprehensive income					
Currency translation adjustment	500	-		-	500
Total loss and comprehensive loss for the period	(594,908)	(6,581,907)		(538,975)	(7,715,790)
Net loss per share from continuing operations					
Basic and diluted			7		$ (0.05)
Weighted-average number of common shares outstanding					
Basic and diluted			7		170,493,912

1. DESCRIPTION OF THE TRANSACTION

The accompanying unaudited pro forma condensed consolidated financial statements have been prepared for the purpose of inclusion in information circular dated November 8, 2019, in connection with an amalgamation agreement (the "**Amalgamation Agreement**") entered on August 22, 2019 between Pure Nickel Inc. ("**Pure Nickel**" or the "**Company**") and Explor Resources Inc. ("**Explor**"), pursuant to which Pure Nickel will acquire all of the outstanding common shares of Explor by way of a "three-cornered amalgamation" (the "**Transaction**"). The unaudited pro forma condensed financials of Pure Nickel reflect various adjustments (Notes 4 and 5) to give effect to the proposed Transaction.

Under the terms of the Amalgamation Agreement, (i) each issued and outstanding Explor Share (other than Explor Shares held by Pure Nickel and any Dissenting Shareholders) shall be exchanged for 0.5 of a Pure Nickel Share ("**Exchange Ratio**"); and (ii) each issued and outstanding Explor Share held by a Dissenting Shareholder will be cancelled and the Dissenting Shareholder will be entitled to be paid the fair value of such Explor Share.

Upon completion of the Transaction, the issued and outstanding options, warrants and convertible debentures to purchase or convert to common shares of Explor will entitle the holders thereof to common shares of Pure Nickel with the number of common shares and/or exercise price adjusted, as appropriate, to reflect the consideration to be received by shareholders of Explor pursuant to the Transaction, and subject to TSXV policies and to Board and TSXV approval.

Upon completion of the Transaction, it is expected that Pure Nickel Inc. will change its name to Galleon Gold Corp.

2. BASIS OF PRESENTATION

The accompanying pro forma condensed consolidated financial statements have been prepared by management to reflect the Transaction as described in Note 1.

The pro forma condensed consolidated statement of financial position at August 31, 2019 gives effect to the Transaction as if it had occurred on August 31, 2019.

The pro forma condensed consolidated statement of loss and comprehensive loss for the year ended November 30, 2018 and the nine months ended August 31, 2019 give effect to the Transaction as if it had occurred on December 1, 2017.

The unaudited pro forma condensed consolidated financial statements have been derived from and should be read in conjunction with the following:

- The audited consolidated financial statements of Pure Nickel as at and for the year ended November 30, 2018;
- The unaudited consolidated financial statements of Pure Nickel as at and for the nine months ended August 31, 2019;
- The audited consolidated financial statements of Explor as at and for the year ended April 30, 2019;
- The unaudited interim financial statements of Explor as at and for the three months ended July 31, 2019;
- The unaudited interim financial statements of Explor as at and for the twelve months ended January 31, 2019 (as constructed - see Note 5 (vii)); and
- The unaudited interim financial statements of Explor as at and for the year ended July 31, 2019 (as constructed – see Note 5 (vii)).

The amalgamation of Pure Nickel and Explor is accounted as a continuation of Pure Nickel's operations in these unaudited pro forma condensed consolidated financial statements. Pure Nickel is determined as the acquirer for accounting purposes following the principles of IFRS 3 – Business Combination ("**IFRS 3**").

The use of judgments, assumptions and estimates are required in assessing whether the Transaction should be recognized as business combination or asset acquisition under IFRS 3. Such an assessment may include judgment and estimates related to (i) inputs; (ii) process; and (iii) outputs with respect to Explor as an entity as a result of the Transaction. The Company considered the guidance in IFRS 3 specifically with respect to the mining permits, processes in place and assembled workforce to Explor and concluded that the acquisition should be accounted for as an asset acquisition and assumption of identified assets and liabilities. Such estimates have been disclosed in Note 4 of the pro forma condensed consolidated financial statements.

It is management's opinion that these unaudited pro forma condensed consolidated financial statements present, in all material respects, the Transaction, assumptions and adjustments described in accordance with International Financial Reporting Standards ("**IFRS**"). These unaudited pro forma condensed consolidated financial statements are not intended to reflect the financial position or results of operations which would have actually resulted if the events reflected herein had been in effect at the dates indicated. Actual amounts recorded once the Transaction is completed are likely to differ from those recorded in the unaudited pro forma condensed consolidated financial statements. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the unaudited pro forma condensed consolidated financial statements. Further, these unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the financial position or results of operation that may be obtained in the future.

3. ACCOUNTING POLICIES

The unaudited pro forma condensed consolidated financial statements have been compiled using accounting policies in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), as set out in the audited consolidated financial statements of Pure Nickel for the year ended November 30, 2018, and the audited financial statements of Explor for the year ended April 30, 2019, unless otherwise indicated.

In preparing the unaudited pro forma condensed consolidated financial information, consideration was given to identify accounting policy differences between Pure Nickel and Explor where the impact was potentially material and could be reasonably estimated. Accounting policy differences may be identified after consummation and integration of the Transaction. However, the significant accounting policies of Pure Nickel, after giving effect to the pro forma adjustments, are believed to conform in all material respects to those of Explor.

4. PRELIMINARY PURCHASE PRICE CONSIDERATION AND ALLOCATION

The Amalgamation is assumed to constitute an asset acquisition whereby Pure Nickel acquires Explor. The purchase price allocation has been determined from information that was available to the management of Pure Nickel as at November 8, 2019 and, due to ongoing detailed determination of fair values of assets acquired and liabilities assumed, is subject to change; the purchase price allocation that will be finalized upon completion of the detailed determination of fair values and might be materially different from the values set out herein. Although Pure Nickel does not have a reason to believe so, the process of detailed determination of fair values might reveal certain assets and liabilities of Explor that could have a material impact on the determination of fair values of Explor's assets and liabilities and the resulting purchase price allocation.

(Expressed in Canadian Dollars)

The preliminary estimate of assets to be acquired and liabilities to be assumed by Pure Nickel in the Transaction, reconciled to the consideration transferred as a result of the Transaction as at August 31, 2019 are as follows:

	$
Estimated consideration to be transferred	
Estimated fair value of common shares (i)	5,711,917
Estimated fair value of replacement stock options (ii)	360,223
Estimated fair value of replacement warrants (iii)	471,223
Estimated fair value of replacement convertible debenture (iv)	1,374,352
Other consideration (v)	91,886
	8,009,601
Fair value of assets acquired and liabilities to be assumed:	
Investments	163,820
Other receivables	2,185
Prepaid expenses	12,112
Taxes receivable	4,181
Cash reserved for exploration and evaluation	10,926
Term deposit reserved for exploration and evaluation	57,192
Advances on exploration and evaluation expenses	1,882
Property, plant and equipment	37,022
Exploration and evaluation assets	10,506,460
Accounts payable and accrued liabilities	(720,917)
Accrued penalties and Part X11.6 taxes	(349,060)
Debt component of convertible debentures (v)	(863,684)
Current portion of long-term debt	(832,714)
Other liability	(19,804)
	8,009,601

The estimated consideration expected to be transferred reflected in these pro forma consolidated financial statements does not purport to represent the actual consideration transferred will be when the Transaction is consummated. In accordance with the acquisition method of accounting, the fair value of equity securities issued as part of the consideration transferred will be measured on the effective date of the Transaction at the then-current market price or fair value.

i. The estimated fair value of 95,198,612 common shares to be issued to Explor shareholders is $5,711,917, which is based on Pure Nickel's share price of $0.06 on August 22, 2019, the date that Pure Nickel and Explor entered into the Amalgamation Agreement;

ii. Each Explor's stock option outstanding immediately prior to the closing of the Transaction, being 13,525,000, shall be exchanged with the same remaining term, adjusting the numbers of stock options and exercise price equal to the Exchange Ratio.

    The estimated fair value of 6,762,500 stock options to be issued to Explor stock option holders is $360,223, which is based on Black-Scholes option pricing model using the following assumptions: Pure Nickel's share price on August 22, 2019 of $0.06, expected dividend yield of 0%, expected volatility of 231 - 282%, risk-free interest rate of 1.37 - 1.51%, and an expected life of 0.72 to 4.07 years;

iii. Each Explor's warrants outstanding immediately prior to the closing of the Transaction, being 27,132,956, shall be exchanged with the same remaining term, adjusting the numbers of warrants and exercise price equal to the Exchange Ratio.

The estimated fair value of 13,566,478 warrants to be issued to Explor warrant holders is $471,223, which is based on Black-Scholes option pricing model using the following assumptions: Pure Nickel's share price on August 22, 2019 of $0.06, expected dividend yield of 0%, expected volatility of 184 - 253%, risk-free interest rate of 1.51%, and an expected life of 0.30 to 1.27 years;

iv. On October 17, 2019, as a result of the Transaction, the holders of an 8% convertible secured debenture in principal amount of $1,300,000 issued by Explor on November 28, 2018 agreed to amend (i) the maturity date from November 28, 2019 to November 28, 2020, and (ii) the conversion price from $0.05 to $0.10 effective on and after November 29, 2019. Consequently, the fair value of the convertible secured debenture is included as part of the consideration. The estimated fair value of the secured convertible debenture is $1,374,352, with $1,197,474 being allocated to the debt component, and $176,878 being allocated to the conversion feature. Explor paid cash fees of $1,725 related to this transaction.

Interest accretion expense amounts of $240,736 and $70,075 have been recognized in the pro forma consolidated statements of loss and comprehensive loss for the 12 months ended November 30, 2018, and the nine months ended August 31, 2019 respectively, to give effect to the Transaction as if it had occurred on December 1, 2017; and

v. On July 3, 2019, Explor issued convertible secured debentures for an amount totaling $945,212, bearing interest at an annual rate of 8%. The estimated fair value of the debentures on the Transaction date is $955,570, with $863,684 allocated to the debt component, and $91,886 allocated to the conversion option. To reflect the change in conversion from Explor shares to Pure Nickel shares, the estimated fair value of the conversion feature of the secured debentures is included as consideration.

An interest accretion expense amount of $157,145 has been recognized in the pro forma consolidated statements of loss and comprehensive loss for the 12 months ended November 30, 2018 to give effect to the Transaction as if it had occurred on December 1, 2017.

5. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited pro forma condensed consolidated financial statements incorporate pro forma adjustments and assumptions to give effect to the Transaction as follows:

i. On September 5, 2019, Pure Nickel issued convertible debenture for gross proceeds of $3,000,000 to 2176423 Ontario Ltd., a corporation that is beneficially owned by Eric Sprott. The convertible debenture has a term of two years, bears interest at a rate of 8% per annum and is convertible into common shares of Pure Nickel at a price of $0.05 per share for the first 12 months and $0.10 per share thereafter until maturity. Pure Nickel has paid a commission of 3% cash, amounting to $90,000 and 3% shares at $0.05 per share, amounting to $99,000, in relation to the debenture.

The convertible debenture is comprised of a liability component and a conversion feature. As the debentures are convertible into common shares, the liability and equity components are presented separately. The initial carrying amount of the financial liability was determined by discounting the stream of future payments of interest and principal at a market interest rate. Using the residual method, the carrying amount of the conversion feature is the difference between the principal amount and the initial carrying value of the financial liability. The equity component is recorded in reserves on the pro-forma condensed consolidated statement of financial position. The debentures, net of the equity component and issue costs are accreted using the effective interest method over the term of the debentures, such that the carrying amount of the financial liability will equal the principal balance at maturity. The transaction costs are apportioned to the

liability and conversion feature in proportion to the allocation of proceeds.
The estimated fair value of the convertible debenture is $2,794,800, with $2,282,420 being allocated to the debt component and $512,380 being allocated to the conversion feature. Interest and accretion expense amounts of $558,776 and $468,900 have been recognized in the pro forma consolidated statements of loss and comprehensive loss for the 12 months ended November 30, 2018, and the nine months ended August 31, 2019 respectively, to give effect to the issuance of the convertible debenture as if it had occurred on December 1, 2017.

ii. On September 24, 2019, Pure Nickel completed a non-brokered private placement of 2,000,000 units ("Unit") at a price of $0.05 per Unit for gross proceeds of $100,000. Each Unit consists of one common share of Pure Nickel and one-half of one common share purchase warrant, each warrant entitling the holder to purchase one additional Common Share of Pure Nickel at an exercise price of $0.12 for a period of two years after closing. The proceeds of the private placement have been allocated as $71,199 to share capital, and $28,801 to the warrant reserve. The fair value of warrants at the date of issuance was estimated at $0.03 based on the following assumptions: Stock price volatility – 225.45%, Risk-free interest rate – 1.52 %; Dividend yield – 0.00%; and Expected life - 2 years.

iii. On October 24, 2019, Pure Nickel issued a convertible debenture for gross proceeds of $300,000. The convertible debenture has a term of one year, bears interest at a rate of 8% per annum and is convertible into common shares of Pure Nickel at a price of $0.05 per share. Pure Nickel paid cash fees of $2,250 related to this transaction.

The convertible debenture is comprised of a liability component and a conversion feature. As the debentures are convertible into common shares, the liability and equity components are presented separately. The initial carrying amount of the financial liability was determined by discounting the stream of future payments of interest and principal at a market interest rate. Using the residual method, the carrying amount of the conversion feature is the difference between the principal amount and the initial carrying value of the financial liability. The equity component is recorded in reserves on the pro-forma condensed consolidated statement of financial position. The debentures, net of the equity component and issue costs are accreted using the effective interest method over the term of the debentures, such that the carrying amount of the financial liability will equal the principal balance at maturity. The transaction costs are apportioned to the liability and conversion feature in proportion to the allocation of proceeds.

The estimated fair value of the convertible debenture is $297,750 with $267,975 being allocated to the debt component and $29,775 being allocated to the conversion feature. Interest and accretion expense amount of $56,025 has been recognized in the pro forma consolidated statements of loss and comprehensive loss for the 12 months ended November 30, 2018 to give effect to the issuance of the convertible debenture as if it had occurred on December 1, 2017.

iv. Pure Nickel and Explor will incur various transaction costs for an estimated total of $200,000 to complete the Transaction, including legal, accounting, TSXV fees and corporate finance fee.

v. On September 18, 2019, Pure Nickel subscribed for 10,000,000 units of Explor at a price of $0.05 per unit, representing a total amount of $500,000. Each unit of Explor is comprised of one common share and one-half of one common share purchase warrant. Each whole purchase warrant can be exercised into one additional common share of Explor at a price of $0.10 per share for a period of 24 months. There is no adjustment resulting from the subscription in pro forma condensed consolidated financial statements, as the amount is eliminated on amalgamation.

vi. It is expected that the acquisition of Explor will give rise to an additional deferred tax asset. Such additional deferred tax asset, beyond the carrying amount previously recognized by Explor and shown above, is not recognized in these pro forma consolidated financial statements due to uncertainty as to the probability of such asset utilization.

(Expressed in Canadian Dollars)

vii. Explor has a non-coterminous financial year end with that of Pure Nickel. Consequently, the period covered by their year-end financial statements and interim financial statements are not comparable. The unaudited interim condensed consolidated financial statement of loss and comprehensive loss used to prepare the unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the year ended January 31, 2019 and nine months ended July 31, 2019 were prepared for the purpose of the pro forma financial statements and do not conform with the financial statements of Explor included elsewhere in the Circular. For the purpose of the unaudited pro forma condensed consolidated financial statements, Explor's unaudited pro forma statements of loss and comprehensive loss for the year ended January 31, 2019 and nine months ended July 31, 2019 were calculated as follows:

	YEAR ENDED APRIL 30, 2018	LESS: NINE MONTHS ENDED JANUARY 31, 2018	PLUS: NINE MONTHS ENDED JANUARY 31, 2019	CONSTRUCTED YEAR ENDED JANUARY 31, 2019
	$	$	$	$
Expenses:				
Administration and general	1,344,555	1,026,874	584,812	**902,493**
Interest on debentures	420,116	316,781	232,170	**335,505**
Interest on long-term debt	36,996	-	16,264	**53,260**
Transaction costs of debentures recognized	24,275	18,326	11,325	**17,274**
Compensation paid in relation with good standing mining claims	19,370	19,370	-	-
Compensation to investors	7,244	7,244	-	-
Part X11.6 taxes and penalties	17,257	4,474	254,734	**267,517**
Revenue	(675)	-	(50,000)	**(50,675)**
Loss on receivable settlement	57,723	-	0	**57,723**
Loss before income taxes	(1,926,861)	(1,393,069)	(1,049,305)	**(1,583,097)**
Income taxes and deferred taxes	50,389	97,203	178,294	**131,480**
Net loss for the period	(1,876,472)	(1,295,866)	(871,011)	**(1,451,617)**

	YEAR ENDED APRIL 30, 2019	LESS: SIX MONTHS ENDED OCTOBER 31, 2018	PLUS: THREE MONTHS ENDED JULY 31, 2019	CONSTRUCTED NINE MONTHS ENDED JULY 31, 2019
	$	$	$	$
Expenses:				
Administration and general	734,945	476,011	143,605	**402,539**
Interest on debentures	303,841	152,773	47,672	**198,740**
Interest on long-term debt	38,199	16,264	-	**21,935**
Transaction costs of debentures recognized	13,730	8,238	-	**5,492**
Part X11.6 taxes and penalties	261,839	1,077	-	**260,762**
Impairment of exploration and evaluation assets	5,975,078	-	-	**5,975,078**
Revenue	(55,621)	-	(142)	**(55,763)**
Changes in fair value of investments	98,292	-	-	**98,292**
Loss on receivable settlement	-	-	-	-
Loss before income taxes	(7,370,303)	(654,363)	(191,135)	**(6,907,075)**
Income taxes and deferred taxes	329,025	4,509	652	**325,168**
Net loss for the period	(7,041,278)	(649,854)	(190,483)	**(6,581,907)**

(Expressed in Canadian Dollars)

It is acceptable to use financial statements of the acquired entity that has a period-end with 93 days of the acquirer. Therefore, for purposes of these pro forma financial statements, the condensed statement of financial position as at July 31, 2019 is included in the pro forma statement of financial position as at August 31, 2019.

6. PRO FORMA SHARE CAPITAL AND RESERVE

		#	$
Share Capital			
Pure Nickel's shares pre-Transaction		82,693,339	53,912,125
Pure Nickel's shares issued as commission on convertible debenture issued by Pure Nickel	5(i)	1,800,000	99,000
Pure Nickel's shares issued from non-brokered private placement closed in Pure Nickel	5(ii)	2,000,000	71,199
Pure Nickel's shares issued to Explor's shareholders	4	95,198,612	5,711,917
Combined Company's share capital		**181,691,951**	**59,794,241**
Reserve			
Options			
Pure Nickel's options pre-Transaction		4,600,000	45,813
Pure Nickel's options issued to Explor's option holders	4	6,762,500	360,223
Combined Company's stock options		**11,362,500**	**406,036**
Warrants			
Pure Nickel's warrants pre-Transaction		1,416,667	49,560
Pure Nickel's warrants issued from non-brokered private placement closed in Pure Nickel	5(ii)	1,000,000	28,801
Explor's warrants issued to Explor's warrant holders	4	13,566,478	471,223
Combined Company's warrants		**15,983,145**	**549,584**
Combined Company's total reserve			**955,620**

7. PRO FORMA LOSS PER SHARE

The pro forma loss per share has been adjusted to reflect the pro forma consolidated statements of net loss and comprehensive loss for the year ended November 30, 2018 and the pro forma condensed interim consolidated statements of net loss and comprehensive loss for the nine months ended August 31, 2019. The pro forma consolidated basic and diluted loss per share after the closing of the Transaction for the period is calculated as follows:

For year ended November 30, 2018		
Pure Nickel weighted average number of shares outstanding		68,144,874
Explor common shares issued to Explor's shareholders		95,198,612
Pro forma weighted average number of Pure Nickel shares outstanding (basic)		163,343,486
Pure Nickel and Explor dilutive shares		-
Pro forma weighted average number of Pure Nickel shares outstanding (diluted)		163,343,486
Pro forma net loss	$	(3,398,919)
Pro forma loss per share (basic and diluted)	$	(0.02)

(Expressed in Canadian Dollars)

For nine months ended August 31, 2019		
Pure Nickel weighted average number of shares outstanding		75,295,300
Explor common shares issued to Explor's shareholders		95,198,612
Pro forma weighted average number of Pure Nickel shares outstanding (basic)		170,493,912
Pure Nickel and Explor dilutive shares		-
Pro forma weighted average number of Pure Nickel shares outstanding (diluted)		170,493,912
Pro forma net loss	$	(7,716,290)
Pro forma loss per share (basic and diluted)	$	(0.05)

For year ended November 30, 2018 and the nine months ended August 31, 2019, no potential shares are included in the computation as they are anti-dilutive.