

**PROBE METALS INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED DECEMBER 31, 2017**

**(EXPRESSED IN CANADIAN DOLLARS)**

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

The following Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of the operation of Probe Metals Inc. (the "**Company**" or "**Probe**") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2017. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2017 and 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of April 12, 2018, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on the Company's website at [www.probemetals.com](http://www.probemetals.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A contains forward-looking information as further described in the "Cautionary Note Regarding Forward-Looking Statements" at the end of this MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section below.

### **Description of Business and Nature of Operations**

Probe is a Canadian junior precious metal exploration company engaged in the business of acquiring, exploring and evaluating mineral properties, and developing these properties further or disposing of them when evaluation is complete. The Company is a reporting issuer in the provinces of Ontario, Alberta, British Columbia, and Quebec, and its common shares are listed for trading on the TSX Venture Exchange ("**TSXV**") under the symbol "PRB".

Probe owns a 100% undivided interest in three exploration-stage properties in the James Bay Lowlands area of northern Ontario, Canada: the Black Creek Property, the Tamarack-McFauld's Lake Property, and the Victory Property. On June 10, 2016, the Company acquired an additional portfolio of projects in Quebec and Ontario through the acquisition of Adventure Gold Inc. ("**Adventure**"). The acquired portfolio currently consists of fifteen (15) properties 100%-owned by Probe, the Pascalis, Senore, Beaufor North, Lapaska, Bonnefond North and Megiscane-Tavenier properties, collectively forming the Val-d'Or East Project, Detour East and North properties, forming part of the Detour Project, the Casagotic, KLM, Bell-Vezza, Sinclair-Bruneau, Florence and Céré-113 properties, comprising the Casa-Cameron Project and the Granada Extension Project, and three (3) Option and/or Joint Venture ("**JV**") properties, the Meunier-

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

144 JV (50/50 JV with Tahoe Resources), The Dubuisson JV with Agnico Eagle Mines Limited ("**Agnico**") (46.5% Probe/53.5% Agnico) and the Detour Quebec JV with SOQUEM Inc. ("**SOQUEM**") (25% SOQUEM / Probe 75%). On November 28, 2016, Probe entered into an option agreement with Alexandria Minerals Corporation, whereby Probe may earn up to a 70% interest in the Cadillac Break East Property in Val-d'Or, Quebec. On January 17, 2017, Probe signed an option agreement with Richmond Mines Inc., whereby Probe may earn a 60% interest in the Monique Property, as part of the land consolidation program for its Val-d'Or East project. On June 29, 2017 Probe announced the acquisition of the Aurbel East property from QMX Gold Corporation ("**QMX**"), which is contiguous to the Company's Senore property within the Val-d'Or East project. On October 19, 2017 Probe acquired a 100%-interest in the Courvan property from Monarques Gold Corporation, which hosts the past-producing Bussiere Mine and is contiguous to the claims hosting the Company's New Beliveau deposit.

The Company also considers additional acquisitions of mineral property interests, or corporations holding mineral property interests, with the objectives of: (i) creating additional value for shareholders through the acquisition of additional mineral exploration properties; and (ii) helping to minimize exploration risk by attempting to diversify the Company's property portfolio. Although the Company believes that the current exploration prospects for its exploration projects are positive, mineral exploration in general is both uncertain and subject to fluctuating commodity prices resulting from changing trends in supply and demand.

### **Financial and Operating Highlights**

#### **Corporate**

On February 14, 2017, 9,750 stock options with an exercise price of \$0.49 and expiry date of February 14, 2024 were exercised for cash proceeds of \$4,778.

On February 21, 2017, 260,032 warrants with an exercise price of \$0.513 and expiry date of November 23, 2017 were exercised for cash proceeds of \$133,396.

On February 28, 2017, the Company completed a bought deal private placement of flow-through shares (the "**Offering**") of 886,151 Ontario flow-through common shares of the Company (the "**Ontario FT Shares**") at a price of \$1.68 per Ontario FT Share and 5,838,849 Quebec flow-through common shares of the Company (the "**Quebec FT Shares**") at a price of \$2.05 per Quebec FT Share for aggregate gross proceeds of \$13,458,374, collectively the flow through common shares.

The Offering was completed through a syndicate of underwriters led by Cormark Securities Inc., and included Macquarie Capital Markets Canada Ltd. and Industrial Alliance Securities (collectively, the "Underwriters"). In consideration for their services, the underwriters received a cash commission equal to 6 per cent of the gross proceeds of the Offering.

The Company also announced that Goldcorp Inc. ("**Goldcorp**") exercised its participation right to maintain its pro-rata interest in the Company. In connection with the Offering, Goldcorp purchased 975,000 common shares from subscribers to the Offering. Goldcorp now owns 12,868,646 common shares and 657,900 common share purchase warrants of Probe, which represents 13.9% of Probe's issued and outstanding common shares on a non-diluted basis and 14.5% on a partially diluted basis.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

The proceeds from the Offering will be used to fund "Canadian exploration expenses" (within the meaning of the Tax Act) related to Probe's projects in Ontario and Québec, and will qualify for inclusion in both the exploration base relating to certain Québec exploration expenses and the exploration base relating to certain Québec surface mining exploration expenses, as defined in the Taxation Act (Québec), and will be used for general working capital purposes.

On March 9, 2017, 50,310 warrants with an exercise price of \$1.154 and expiry date of May 4, 2017 were exercised for cash proceeds of \$58,058.

On March 14, 2017, 39,000 stock options with an exercise price of \$0.75 and expiry date of February 26, 2023 were exercised for cash proceeds of \$29,250, 29,250 stock options with an exercise price of \$0.49 and expiry date of February 14, 2024 were exercised for cash proceeds of \$14,333 and 58,500 stock options with an exercise price of \$0.26 and expiry date of March 19, 2025 were exercised for cash proceeds of \$15,210.

On March 15, 2017, 39,000 stock options with an exercise price of \$0.75 and expiry date of February 26, 2023 were exercised for cash proceeds of \$29,250, 39,000 stock options with an exercise price of \$0.49 and expiry date of February 14, 2024 were exercised for cash proceeds of \$19,110 and 78,000 stock options with an exercise price of \$0.26 and expiry date of March 19, 2025 were exercised for cash proceeds of \$20,280.

On April 10, 2017, the Company entered into an option agreement with Legion Metals to acquire a 50% interest in the Millen Mountain Property, Nova Scotia, comprising License 10577 (80 claims). To earn its interest, the Company must spend \$250,000 within 18 months of signing the agreement. Millen Mountain is an early-stage gold exploration project with a number of historic, high-grade showings. To date, the Company has completed preliminary ground surveys on the property. Upon completion of the earn-in requirement, a JV will be formed with the Company' holding a 50% joint venture interest and Legion Metals owning a 50% JV interest. Each party will be required to contribute to any further programs pro rata according to its JV interest. Should a JV party fail to make any of its required program contributions, its interest will be diluted accordingly. If a party's JV interest is diluted below 10%, its JV interest will be converted to a 1% NSR.

On April 13, 2017, 39,000 stock options with an exercise price of \$0.75 and expiry date of February 26, 2023 were exercised for cash proceeds of \$29,250.

On April 20, 2017, 9,750 stock options with an exercise price of \$0.75 and expiry date of February 26, 2023 were exercised for cash proceeds of \$7,313.

On April 26, 2017, 29,250 stock options with an exercise price of \$0.26 and expiry date of March 19, 2025 were exercised for cash proceeds of \$7,605.

On May 3, 2017, 66,690 warrants with an exercise price of \$1.154 and expiry date of May 4, 2017 were exercised for cash proceeds of \$76,960.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

On May 19, 2017, 9,750 stock options with an exercise price of \$1.36 and expiry date of December 8, 2020 were exercised for cash proceeds of \$13,260.

On May 25, 2017, 19,500 stock options with an exercise price of \$0.75 and expiry date of February 26, 2023 were exercised for cash proceeds of \$14,625, 19,500 stock options with an exercise price of \$0.49 and expiry date of February 14, 2024 were exercised for cash proceeds of \$9,555 and 19,500 stock options with an exercise price of \$0.26 and expiry date of March 19, 2025 were exercised for cash proceeds of \$5,070.

On May 26, 2017, 29,250 stock options with an exercise price of \$0.49 and expiry date of February 14, 2024 were exercised for cash proceeds of \$14,333 and 19,500 stock options with an exercise price of \$0.75 and expiry date of February 26, 2023 were exercised for cash proceeds of \$14,625.

On May 29, 2017, 19,500 stock options with an exercise price of \$1.36 and expiry date of December 8, 2020 were exercised for cash proceeds of \$26,520.

On May 30, 2017, 48,750 stock options with an exercise price of \$1.36 and expiry date of December 8, 2020 were exercised for cash proceeds of \$66,300.

On August 29, 2017, 2,778 stock options with an exercise price of \$0.26 and expiry date of May 16, 2019 were exercised for cash proceeds of \$722, 4,444 stock options with an exercise price of \$0.28 and expiry date of December 18, 2019 were exercised for cash proceeds of \$1,244 and 8,334 stock options with an exercise price of \$0.36 and expiry date of April 27, 2020 were exercised for cash proceeds of \$3,000.

On October 2, 2017, the Company purchased 1,714,285 common shares of Monarques Gold Corporation ("**Monarques**") for \$600,000.

On November 2, 2017, 324,999 warrants with an exercise price of \$0.51 and expiry date of November 2, 2017 were exercised for gross proceeds of \$165,749.

On November 28, 2017, 21,666 stock options with an exercise price of \$0.19 and expiry date of December 5, 2017 were exercised for cash proceeds of \$950, 8,333 stock options with an exercise price of \$0.26 and expiry date of May 16, 2019 were exercised for cash proceeds of \$2,167 and 8,333 stock options with an exercise price of \$0.28 and expiry date of December 18, 2019 were exercised for cash proceeds of \$2,333.

On November 30, 2017, 3,333 stock options with an exercise price of \$0.19 and expiry date of December 5, 2017 were exercised for cash proceeds of \$633.

On December 6, 2017, 5,000 stock options with an exercise price of \$0.26 and expiry date of May 16, 2019 were exercised for cash proceeds of \$1,300, 5,000 stock options with an exercise price of \$0.28 and expiry date of December 18, 2019 were exercised for cash proceeds of \$1,400 and 25,000 stock options with an exercise price of \$0.36 and expiry date of April 27, 2020 were exercised for cash proceeds of \$9,000.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

In January 2018, the Company purchased 600,000 units of GFG Resources Inc. ("GFG") for \$300,000. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of GFG at an exercise price of \$0.75 for a period of 24 months.

On February 17, 2018, 6,600,000 warrants with an exercise price of \$1.75 expired unexercised.

**Trends**

The average quarterly gold spot price of \$1,275 in the fourth quarter was in-line with the 2017 quarterly high of \$1,278 reached in third quarter. The average gold spot price for 2017 was \$1,258 per ounce, an increase of 1% over the average in 2016.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "Cautionary Note Regarding Forward-Looking Statements" below.

**Outlook**

The Company intends to continue exploring properties that have the potential to contain precious and base metals. In addition, management will review project submissions, and conduct independent research, for projects in such jurisdictions and commodities as it may consider prospective.

There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

**Selected Annual Financial Information**

	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>	<b>Period from January 16, 2015 to December 31, 2015 (\$)</b>
Revenues	-	-	-
Interest and other income	294,786	150,885	133,796
Net loss	(10,513,713)	(41,604,732)	(2,120,828)
Net loss per share - basic	(0.11)	(0.69)	(0.07)
Net loss per share - diluted	(0.11)	(0.69)	(0.07)

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

	As at December 31, 2017 (\$)	As at December 31, 2016 (\$)	As at December 31, 2015 (\$)
Total assets	32,411,482	30,767,603	18,480,952
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends	nil	nil	nil

- The net loss for the year ended December 31, 2017, consisted primarily of exploration and evaluation expenditures of \$10,896,626 and general and administrative of \$4,150,822. This was offset by interest and other income of \$294,786, gain on marketable securities of \$1,378,004 and premium on flow-through shares of \$2,860,945.
- The net loss for the year ended December 31, 2016, consisted primarily of exploration and evaluation expenditures of \$38,163,443 and general and administrative of \$4,873,665. This was offset by interest and other income of \$150,885, gain on marketable securities of \$812,882 and property option revenue of \$468,609.
- The net loss for the period from January 16, 2015 to December 31, 2015, consisted primarily of exploration and evaluation expenditures of \$335,770 and general and administrative of \$1,918,854. This was offset by interest income of \$133,796.
- As the Company has no recurring revenue, its ability to fund its operations is dependent upon securing financing. See "Trends" above and "Risk Factors" below.

### **Investment Strategies and Oversight**

We generally acquire and hold investments with a medium to long term view, on the basis of perceived value and growth opportunities and the ability of management teams to effectively execute business plans. We manage our investment portfolio in-house, relying upon the broad industry knowledge and expertise of management to identify and evaluate investment opportunities and monitor the investee companies on an on-going basis.

Investment performance is monitored via available market data (including continuous disclosure made by the investees that are public companies) and contact with investee management. Monitoring may also include involvement on the board of directors of an investee, where the size of the investment or other factors so warrant.

Our exit strategies include mergers or the achievement of other significant milestones for our investee companies, but may also involve otherwise timely dispositions of the securities in the secondary market, if and when warranted, and receipt of third-party bids for the securities which are beneficial to us, in the circumstances.

Notwithstanding the foregoing, we may pursue a particular investment or series of investments that may diverge from these strategies from time to time, where suitable opportunities present themselves.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

**Environmental Contingency**

The Company's mining and exploration activities are subject to various laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of December 31, 2017, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

**Off-Balance Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**Proposed Transactions**

There are no proposed transactions of a material nature being considered by the Company. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

**Selected Quarterly Information**

Three Months Ended	Total Revenue (\$)	Profit or Loss		Total Assets (\$)
		Total (\$)	Basic and Diluted Loss Per Share (\$)	
2016-March 31	-	(804,309) <sup>(1)</sup>	(0.02)	17,529,071
2016-June 30	-	(33,649,874) <sup>(2)</sup>	(0.78)	20,785,765
2016-September 30	-	(3,713,351) <sup>(3)</sup>	(0.05)	33,896,629
2016-December 31	-	(3,437,198) <sup>(4)</sup>	(0.04)	30,767,603
2017-March 31	-	(2,924,037) <sup>(5)</sup>	(0.03)	41,544,310
2017-June 30	-	(3,274,971) <sup>(6)</sup>	(0.04)	38,133,562
2017-September 30	-	(3,288,017) <sup>(7)</sup>	(0.04)	33,896,432
2017-December 31	-	(1,026,688) <sup>(8)</sup>	(0.01)	32,411,482

<sup>(1)</sup> Net loss of \$804,309 principally relates to exploration expenditures of \$249,856, share-based payments of \$98,355, salaries and benefits of \$215,287, travel and promotion costs of \$59,018, professional fees of \$122,405, administrative costs of \$23,955, occupancy costs of \$32,763, director fees of \$22,500, shareholder information of \$15,569 and depreciation of \$817. These costs were offset by \$36,216 in interest income.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

(2) Net loss of \$33,649,874 principally relates to exploration expenditures of \$33,250,206, share-based payments of \$98,355, salaries and benefits of \$215,287, travel and promotion costs of \$59,018, professional fees of \$122,405, administrative costs of \$23,955, occupancy costs of \$32,763, director fees of \$22,500, shareholder information of \$15,569 and depreciation of \$817. These costs were offset by \$34,601 in interest income and \$96,067 in unrealized gain on marketable securities.

(3) Net loss of \$3,713,351 principally relates to exploration expenditures of \$2,002,184, share-based payments of \$1,404,343, salaries and benefits of \$254,834, travel and promotion costs of \$92,306, professional fees of \$216,490, administrative costs of \$99,819, occupancy costs of \$34,354, director fees of \$22,639, shareholder information of \$15,027, depreciation of \$5,421 and loss on marketable securities of \$35,060. These costs were offset by \$34,632 in interest income, premium on flow-through shares of \$65,635 and property option revenue of \$368,859.

(4) Net loss of \$3,437,198 principally relates to exploration expenditures of \$2,661,197, share-based payments of \$501,588, salaries and benefits of \$766,838, travel and promotion costs of \$76,099, professional fees of \$128,569, administrative costs of \$24,419, occupancy costs of \$28,531, director fees of \$53,104, shareholder information of \$20,761 and depreciation of \$7,518. These costs were offset by \$45,436 in interest income, gain on marketable securities of \$751,875 and property option revenue of \$99,750.

(5) Net loss of \$2,924,037 principally relates to exploration expenditures of \$3,057,273, share-based payments of \$524,071, salaries and benefits of \$288,357, travel and promotion costs of \$87,083, professional fees of \$67,758, administrative costs of \$40,376, occupancy costs of \$34,951, director fees of \$45,179, shareholder information of \$71,298 and depreciation of \$14,307. These costs were offset by \$58,498 in interest income and gain on marketable securities of \$1,248,118.

(6) Net loss of \$3,274,971 principally relates to exploration expenditures of \$3,262,498, share-based payments of \$424,432, salaries and benefits of \$171,227, travel and promotion costs of \$102,954, professional fees of \$43,250, administrative costs of \$57,366, occupancy costs of \$31,252, director fees of \$44,933, shareholder information of \$21,335, depreciation of \$22,048 and loss on marketable securities of \$63,132. These costs were offset by \$73,013 in interest income and \$896,443 in premium on flow-through shares.

(7) Net loss of \$3,288,017 principally relates to exploration expenditures of \$4,440,703, share-based payments of \$375,515, salaries and benefits of \$129,728, travel and promotion costs of \$89,375, professional fees of \$62,594, administrative costs of \$38,208, occupancy costs of \$29,623, director fees of \$45,276, shareholder information of \$10,873 and depreciation of \$22,618. These costs were offset by gain on marketable securities of \$739,488, \$79,644 in interest income and premium on flow-through shares of \$1,137,364.

(8) Net loss of \$1,026,688 principally relates to exploration expenditures of \$136,152, share-based payments of \$187,262, salaries and benefits of \$688,816, travel and promotion costs of \$83,599, professional fees of \$85,574, administrative costs of \$93,760, occupancy costs of \$33,781, director fees of \$45,000, shareholder information of \$13,016, depreciation of \$24,027 and loss on marketable securities of \$546,470. These costs were offset by \$83,631 in interest and other income and premium on flow-through shares of \$827,138.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

**Results of Operations**

**Three months ended December 31, 2017, compared with three months ended December 31, 2016**

The Company's net loss totaled \$1,026,688 for the three months ended December 31, 2017, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$3,437,198 with basic and diluted loss per shares of \$0.04 for the three months ended December 31, 2016. The Company had no revenue in both periods presented. The decrease in net loss was principally due to:

- Exploration and evaluation expenditures decreased to \$136,152 for the three months ended December 31, 2017, compared to \$2,661,197 for the three months ended December 31, 2016. The decrease can be attributed to acquisition costs and exploration expenditures incurred on the West Porcupine Property of \$32,328 (three months ended December 31, 2016 - \$459,076), the Millen Mountain Property of \$116,011 (three months ended December 31, 2016 - \$nil) and the Adventure property portfolio of \$3,202,870 (three months ended December 31, 2016 - \$2,119,569) during the comparative period. These expenditures were offset by the sale of the West Porcupine Property during the three months ended December 31, 2017. Probe sold a 100% interest in the property to GFG in exchange for the issuance of 6,477,883 common shares of GFG (valued at \$3,238,942). Refer to the heading "Mineral Exploration Properties" below for a summary of the Company's exploration programs for Probe's property portfolio.
- Salaries and benefits decreased in the three months ended December 31, 2017, to \$688,816 compared with \$766,838 for the same period in 2016, primarily due to salaries being charged to specific projects in the current period compared to the prior period.
- Share-based payments decreased in the three months ended December 31, 2017, to \$187,262 compared with \$501,588 for the same period in 2016. The decrease is due to the timing of expensing the estimated fair value of stock options granted in prior and current periods. The Company expenses its stock options in accordance with the vesting terms of the stock options granted.
- Professional fees decreased in the three months ended December 31, 2017, to \$85,574 compared with \$128,569 for the same period in 2016, primarily due to lower corporate activity requiring external professional support services.
- Travel and promotion costs decreased in the three months ended December 31, 2017, to \$85,574 compared with \$128,569 for the same period in 2016, primarily due to lower corporate activity requiring travel by management.
- Shareholder information decreased in the three months ended December 31, 2017, to \$13,016 compared with \$20,761 for the same period in 2016, primarily due to lower corporate activity related to the Adventure acquisition in the comparative period.
- Administrative costs increased in the three months ended December 31, 2017, to \$93,760 compared with \$24,419 for the same period in 2016. Administrative costs consisted of

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

administrative costs such as telephone charges, insurance, postage, bank charges and office supplies.

- Interest and other income increased in the three months ended December 31, 2017, to \$83,631 compared with \$45,436 for the same period in 2016. Interest and other income was recorded during the period for interest earned on cash balances.
- Loss on marketable securities increased in the three months ended December 31, 2017, to \$546,470 compared with a gain of \$751,875 for the same period in 2016. The increase in loss was due to the change in fair value of marketable securities.
- Premium on flow-through shares increased in the three months ended December 31, 2017, to \$827,138 compared to (\$65,635) for the same period in 2016. The Company has adopted a policy whereby proceeds from flow-through issuances are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting premium on flow-through shares on a pro-rata basis as the expenditures are made.
- Property option revenue decreased in the three months ended December 31, 2017, to \$nil compared with \$99,750 for the same period in 2016. The decrease is due to payment from GFK for the sale of three blocks of mining claims forming part of the Casa Cameron Property in the comparative period.
- All other expenses related to general working capital purposes.

**Year ended December 31, 2017, compared with year ended December 31, 2016**

The Company's net loss totaled \$10,513,713 for the year ended December 31, 2017, with basic and diluted loss per share of \$0.11. This compares with a net loss of \$41,604,732 with basic and diluted loss per shares of \$0.69 for the year ended December 31, 2016. The Company had no revenue in both years presented. The decrease in net loss was principally due to:

- Exploration and evaluation expenditures decreased to \$10,896,626 for the year ended December 31, 2017, compared to \$38,163,443 for the year ended December 31, 2016. The decrease can be attributed to acquisition costs and exploration expenditures incurred on the West Porcupine Property of \$1,210,827 (year ended December 31, 2016 - \$1,872,684), the Millen Mountain Property of \$325,462 (year ended December 31, 2016 - \$nil) and the Adventure property portfolio of \$12,315,420 (year ended December 31, 2016 - \$36,182,537) during the comparative period. These expenditures were offset by the sale of the West Porcupine Property during the year ended December 31, 2017. Probe sold a 100% interest in the property to GFG in exchange for the issuance of 6,477,883 common shares of GFG (valued at \$3,238,942). Refer to the heading "Mineral Exploration Properties" below for a summary of the Company's exploration programs for Probe's property portfolio.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

- Salaries and benefits decreased in the year ended December 31, 2017, to \$1,278,128 compared with \$1,500,104 for the same period in 2016, primarily due to salaries being charged to specific projects in the current period compared to the prior period.
- Share-based payments decreased in the year ended December 31, 2017, to \$1,511,280 compared with \$2,055,805 for the same period in 2016. The decrease is due to the timing of expensing the estimated fair value of stock options granted in prior and current periods. The Company expenses its stock options in accordance with the vesting terms of the stock options granted.
- Professional fees decreased in the year ended December 31, 2017, to \$259,176 compared with \$503,012 for the same period in 2016, primarily due to lower corporate activity requiring external professional support services.
- Travel and promotion costs increased in the year ended December 31, 2017, to \$363,011 compared with \$278,371 for the same period in 2016, primarily due to higher corporate activity requiring travel by management.
- Shareholder information increased in the year ended December 31, 2017, to \$116,522 compared with \$82,307 for the same period in 2016, primarily due to higher corporate activity requiring external services.
- Administrative costs increased in the year ended December 31, 2017, to \$229,710 compared with \$187,218 for the same period in 2016. Administrative costs consisted of administrative costs such as telephone charges, insurance, postage, bank charges and office supplies.
- Interest and other income increased in the year ended December 31, 2017, to \$294,786 compared with \$150,885 for the same period in 2016. Interest and other income was recorded during the period for interest earned on cash balances.
- Gain on marketable securities increased in the year ended December 31, 2017, to \$1,378,004 compared with a gain of \$812,882 for the same period in 2016. The increase in gain was due to the change in fair value of marketable securities.
- Premium on flow-through shares increased in the year ended December 31, 2017, to \$2,860,945 compared to \$nil for the same period in 2016. The Company has adopted a policy whereby proceeds from flow-through issuances are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting premium on flow-through shares on a pro-rata basis as the expenditures are made.
- Property option revenue decreased in the year ended December 31, 2017, to \$nil compared with \$468,609 for the same period in 2016. The decrease is due to payment from GFK for the sale of three blocks of mining claims forming part of the Casa Cameron Property in the comparative period.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

- All other expenses related to general working capital purposes.

The Company's total assets at December 31, 2017 were \$32,411,482 (December 31, 2016 - \$30,767,603) against total liabilities of \$2,917,045 (December 31, 2016 - \$919,776). The increase in total assets of \$1,643,879 resulted from the Offering of \$13,458,374 which was offset by cash spent on property and equipment in the amount of \$519,621, purchase of marketable securities of \$600,000, exploration and evaluation expenditures and operating costs. The Company has sufficient current assets to pay its existing liabilities of \$2,917,045 at December 31, 2017. Liabilities include flow-through share liability of \$1,787,679 which is not settled through cash payments. Instead, this balance is amortized against qualifying flow-through expenditures which are required to be incurred before December 31, 2018.

Pursuant to the terms of flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of December 31, 2017, the Company is committed to incurring approximately \$5.2 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2018, arising from the flow-through offerings.

### **Liquidity and Capital Resources**

From management's point of view, the Company's cash of \$21,523,127 at December 31, 2017 is adequate to cover current expenditures and exploration expenses for the coming year. The Company also has marketable securities of \$8,425,597 at December 31, 2017 (December 31, 2016 – \$3,208,651), which can be sold if the Company deems it prudent to do so.

The Company may, from time to time, when marketing and financing conditions are favourable, proceed with fundraising to fund exploration and property acquisition projects.

The activities of the Company, principally the acquisition and exploration of properties that have the potential to contain precious and base metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options. There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

As of December 31, 2017, and to the date of this MD&A, the cash resources of the Company are held with certain Canadian chartered banks.

At December 31, 2017, the Company had cash of \$21,523,127. The decrease in cash of \$4,885,552 from the December 31, 2016 cash balance of \$26,408,679 was a result of cash outflows in operating activities of \$17,063,598, cash outflows in investing activities of \$1,119,621 and cash inflows from financing activities of \$13,297,667. Operating activities were affected by adjustments of share-based payments of \$1,511,280, depreciation of \$83,000, accrued interest receivable of \$25,306, shares received for mineral properties of \$3,238,942, gain on marketable securities of \$1,378,004, premium on flow-through shares of \$2,860,945 and net change in non-cash working capital balances of \$691,580 because of an increase

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

in trade accounts receivable and other receivables of \$911,474, a decrease in prepaid expenses of \$10,304 and an increase in amounts payable and other liabilities of \$209,590.

Cash used in investing activities was \$1,119,621 for the year ended December 31, 2017. This related to the acquisition of property and equipment, which includes computer equipment, field equipment, site building, and building of \$519,621 and purchase of marketable securities of \$600,000.

Cash provided by financing activities was \$13,297,667 for the year ended December 31, 2017. Financing activities were affected by the Offering of \$13,458,374 which was offset by share issue costs of \$959,262. In addition, cash of \$435,139 was received from the exercise of stock options and cash of \$363,415 was received from the exercise of warrants.

Regardless of whether the Company discovers a significant precious or base metal deposit, its working capital of \$28,572,166 at December 31, 2017 is anticipated to be adequate for it to continue operations for the twelve-month period ending December 31, 2018.

### **Mineral Exploration Properties**

#### **Property Description**

##### *Val-d'Or East properties*

The Val-d'Or East project includes five (5) properties located in the eastern portion of the Val-d'Or–Malartic gold district, of which four (3) are 100%-owned and two (2) under option by Probe, totaling more than 808 claims and covering an area of 32,743 hectares.

The main property, namely Val-d'Or East – Pascalis, is adjacent to the producing Beaufor Gold Mine held by Monarques Gold Corporation (*formerly* Richmond Mines Inc.). The Pascalis property was the site of profitable gold production from 1989 to 1993 when Cambior Inc. (currently IAMGOLD Corporation) mined the New Pascalis gold deposit (Lucien C. Beliveau Mine). The mechanized underground mine which utilized long-hole mining methods extracted a total of 1.8 Mt of ore at a grade of 3.2 g Au/t from the surface to a depth of 300 metres. The properties are located 25 kilometres from the mining community of Val d'Or (35,000 people) and benefits from world-class mining infrastructure, expertise for underground and open-pit operations and highly qualified manpower. Probe believes that the strategic location of the property has the potential to positively impact the long-term viability and attractiveness for employment on the Val-d'Or East project. Key infrastructure on the property includes an existing 340-metre deep shaft, underground development drifts on five levels, industrial access road, power line, a railway within 1.5 kilometres and custom milling facilities in Val-d'Or (four gold mills within 25 km). There are no significant environmental issues from past exploitation.

Between 2008 and 2014, 27,000m of drilling was completed by the previous owner to delineate new gold resources. Best drill results showed widths ranging from 60 m to 300 m with grades between 1-3 g/t, including higher grade zones grading up to 12.9 g/t Au over 8 metres, 10.4 g/t Au over 10 metres, 4.8 g/t Au over 33.1 metres and 2.7 g/t Au over 65.1 metres. In 2013, an initial NI 43-101 resource estimate outlined 770,000 ounces of gold at 2.6 g/t Au in the inferred category, close to existing infrastructure. Approximately half of the resources are located at, or near surface, and are considered amenable to

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

potential open-pit extraction. In 2016-2017, Probe Metals has completed 202 new drill holes or historical holes deepening totalling 82,000m. Best drill results returned 2.0 g/t Au over 143 metres including higher grade zones grading 35.1 g/t Au over 4.2 metres starting at 15 metres depth and 3.0 g/t Au over 57.4 metres including higher grade zones grading 19.1 g/t Au over 5.5 metres starting at 538 metres depth. Also completed in 2016-2017, IP surveys, ground magnetic surveys, and helicopter-borne electromagnetic VTEM-MAG surveys highlighted promising areas. The exploration potential is very favorable for a large multi-million ounce gold deposit on the property. Probe has a short-term objective to define more than 2M ounces on the Val-d'Or East project. Metallurgy of the ore from past production suggests that the mineralized material from the property is compatible with the gold mills in the immediate area.

*Detour Quebec properties*

The Detour Quebec project is comprised of three (3) distinct claims block, of which one (1) is in JV (SOQUEM 25% and Probe 75%) and two (2) 100%-owned by the Company, totalling more than 757 claims and covering an area of 405 km<sup>2</sup>. The properties are strategically located over a strike length of 80 km along the Detour Gold Trend ("DGT") which encompasses the Detour Lake deposit (15 million ounces of proven and probable mineral gold reserves - NI 43-101 compliant, Detour Gold Corp. website). Last year, Detour Gold Corp. announced a series of very positive drilling results on the DGT, located approximately six kilometers south of the Detour Lake mine and about 10 kilometers west of Probe's Detour Quebec project. In this sector, Detour Gold Corp., had reported drill intersections grading up to 35 g / t Au over 23.2 metres, 11.8 g / t Au over 32.4 meters and 12.7 g / t Au over 28.0 meters.

In recent years, IP surveys, ground magnetic surveys, and helicopter-borne electromagnetic VTEM-MAG surveys highlighted promising areas close to historic gold anomalies along the Sunday Lake, Massicotte, and Lower Detour/Grasset gold deformation zones and other subsidiary fault zones. Compilation of previous work also highlighted drilling targets along the proven gold structures close to historical drilling intercepts and grab samples. Best targets include near-surface geophysical anomalies proximal to historical intercepts grading 3.7 g/t Au over 4.0 metres, 18.3 g/t Au over 1.1 metres, and 3.7 g/t Au over 3.1 metres (Source: MRN, GM 44767, GM 45980 and GM 57512).

On September 25, 2017, following an amendment to the initial agreement signed on October 6, 2015, the Company announced that it entered into a 75-25 joint venture agreement with SOQUEM on its Detour Quebec Project. Under the terms of the agreement, Probe Metals will own 75% interest and SOQUEM 25%. Probe Metals will remain the operator and each party will be responsible for funding its proportionate share of expenditures on the Project. The Project consists of 568 claims covering an area of 304 square kilometres along the Detour Gold Trend and hereon will be referred as Detour Quebec SOQUEM project.

*Casa-Cameron properties*

As of December 31, 2017, the Casa-Cameron project includes six (6) properties, 100%-owned by the Company, totalling 379 claims and covering 208 km<sup>2</sup>. The properties are mainly located along a major gold trend between the Casa Berardi Gold Mine (proven and probable reserves of 8.5 mt at 4.9 g/t Au for 1.3M ounces, measured and indicated resources of 10 mt at 4.2 g/t Au for 1.3M ounces and inferred resources of 3.3 mt at 5.5 for 604,000 ounces – Hecla Mining press release dated February 12, 2015)

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

and the Bachelor Gold Mine (owned by Metanor Resources with proven and probable reserves of 843,800 t at 7.4 g/t Au for 200,200 ounces and inferred resources of 426,100 t at 6.5 g/t Au for 89,400 ounces - Metanor Resources, NI 43-101, April 26, 2011).

*West Porcupine properties*

The West Porcupine properties (Porcupine, Ross & Yvanhoe) represents a land package of approximately 180 square kilometres and is located between Goldcorp's Borden Gold project and the town of Timmins, Ontario. It consists of 162 claims, located 50 kilometres southwest of Timmins, Ontario. The Property covers a 10 kilometer long section of Archean greenstone that contains the interpreted western extension of the Porcupine-Destor Fault Zone within the same geological setting that hosts most of the gold deposits found in the Timmins Gold Camp. The West Porcupine property represents highly prospective geology in an under-explored area. Previous exploration work and drilling on the property has identified three distinctive zones of high-grade gold mineralization and several prospective gold targets that will be the focus of upcoming exploration programs.

On December 21, 2017, the Company announced the completion of the sale of the West Porcupine Property to GFG. Probe sold a 100% interest in the property to GFG in exchange for the issuance of 6,477,883 common shares of GFG (valued at \$3,238,942).

**Exploration update**

During the year ended December 31, 2017, the Company expensed \$10,896,626 on exploration and evaluation expenditures, compared to \$38,163,443 during the year ended December 31, 2016. The decrease in 2017 is primarily due to acquisition costs and exploration expenditures incurred in 2016 on the West Porcupine Property and the Adventure property portfolio which includes the following projects: the Val-d'Or East Project, Detour Project, Casa-Cameron Project, Granada Extension Project and Option and/or JV properties. Refer to *Table A – Mineral Exploration Properties* and *Table B – Mineral Exploration Properties under Option* below for a summary of the Company's exploration programs for Probe's property portfolio. These expenditures were offset by the sale of the West Porcupine Property during the year ended December 31, 2017. Probe sold a 100% interest in the property to GFG in exchange for the issuance of 6,477,883 common shares of GFG (valued at \$3,238,942).

*Val-d'Or East project*

On January 17, 2017, the Company announced that it entered into a binding option agreement with Richmond Mines Inc., whereby Probe Metals may earn a 60% interest in the Monique Property, located 25 km east-southeast of Val-d'Or, Quebec. The Monique Property is comprised of 22 mining claims and is part of the Company's Val-d'Or East Project.

On January 17, 2017, the Company also announced that it has acquired a 100% undivided interest in the Boudrias Property comprising 12 mining claims staked by Mr. Dean Boudrias, a Val-d'Or prospector. The Boudrias Property represents the northern extension of the Monique Property and the eastern extension of the Bonfond North Property, acquired from QMX.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

On March 6, 2017, the Company announced the results from an additional nine holes on its 100% owned Val-d'Or East project located near Val-d'Or, Quebec. The results represented the remaining holes drilled during the 11,500-metre 2016 program. In addition to follow-up drilling of the new gold discovery in Hole PC-16-90 (announced December 6, 2016) and further definition and delineation of the New Beliveau gold-bearing quartz-tourmaline vein system, drilling was also successful in discovering a new, high-grade gold zone hosted in diorite dyke 300 metres west of the former Beliveau Mine. Hole PC-16-100 intersected an impressive zone of quartz-tourmaline veining, which included an interval of 1,122 g/t gold ("Au") over 0.7 metres. Holes PC-16-102, -103, -104 & -105 also intersected significant gold mineralisation returning intercepts of up to 6 g/t Au over 3 metres, 1.7 g/t Au over 15 metres 7.2 g/t Au over 3.6 metres and 4.2 g/t Au over 11.5 metres, respectively. The new results indicate increased potential for both near-surface bulk tonnage and deeper, higher grade mineralized systems. Results also demonstrate the continuity of the gold mineralization and therefore the potential for growth of the resource to the west and at depth of known mineralization.

On May 16, 2017, the Company announced the results from an additional nineteen drill holes totaling 9,564 metres on its 100%-owned Val-d'Or East project. The recent drill results confirm the continuity of gold mineralization and the expansion potential of the New Beliveau deposit with impressive gold intersections in the majority of infill and expansion drill holes. Drilling has also indicated the presence of a newly identified, sub-vertical shear structure trending northeast across the deposit that hosts new high-grade results as well as the recently announced high-grade discovery containing 1,122 g/t gold over 0.7 metres. Owing to very positive exploration results to-date, the Company decided to increase the 2017 drill program from 50,000 to 75,000 metres.

On June 6, 2017, the Company announced the results from an additional nineteen drill holes totaling 6,676 metres on its 100%-owned Val-d'Or East project. Results include two significant new, shallow, gold discoveries of 7.4 g/t Au over 12.4 metres and 7.8 g/t Au over 2.5 metres located 1,200 and 600 metres south of the former Beliveau Mine, respectively, and represent the furthest step-outs from the New Beliveau deposit to-date. These intervals are associated with new geophysical targets generated along the interpreted mineralized trend and suggest the potential for a much more extensive gold mineralized system than previously thought. In addition to the new zones, drilling also intersected numerous high-grade intervals within the New Beliveau deposit, including 12.3 g/t Au over 8.9 metres, as well as thick, near-surface gold intervals.

On June 29, 2017, the Company announced that it acquired a 100% undivided interest in 6 mining claims in and adjacent to the Val-d'Or East project from private landowners for a cash payment of \$25,000.

On July 26, 2017, the Company announced that it completed the purchase of the Aurbel East Property from QMX for an aggregate cash payment of \$1,000,000. The property is situated immediately adjacent to the Company's Val d'Or East Project.

On August 16, 2017 the Company announced results from a further twenty seven (27) drill holes, totaling 11,358 metres, from its 100%-owned Val-d'Or East project. As of this drilling, the New Beliveau gold deposit mineralization has been identified over an expanded area of approximately 650 metres by 450 metres and to a depth of over 900 metres. Drilling to the south returned interesting results grading up to 2.5 g/t over 39.2 metres including 9.2 g/t Au over 5.4 metres, at vertical depth of approximately 100 metres, while expansion drilling to the West also returned interesting results with intercepts grading up to

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

2.7 g/t over 16.8 metres, including 9.8 g/t Au over 3 metres, at a vertical depth of approximately 350 metres. Drilling results continue to expand our understanding of the mineralizing controls and geometry at New Beliveau, including the identification of a stacked set of at least thirty (30) shallow dipping East-West auriferous veins, seven (7) North-South sub-vertical mineralized dyke and one East-North-East sub-vertical high grade structure. These results also include the best drill intercept to date in the North Zone located 500 metres North of New Beliveau with an intersection returning 2 g/t Au over 59.9 metres at 100 metres depth including a high-grade intercept grading 8.2 g/t Au over 7.2 metres.

On September 25, 2017, the Company announced that it entered into a 75-25 joint venture agreement with SOQUEM on its Detour Project. Under the terms of the agreement, Probe Metals will own 75% interest and SOQUEM 25%. Probe Metals will remain the operator and each party will be responsible for funding its proportionate share of expenditures on the Project.

On October 11, 2017, the Company announced drill results from a further 27 drill holes on its Val-d'Or East Project. Highlights include 3.0 g/t Au over 57.4 metres and 5.5 g/t Au over 8.5 metres within a broader zone of 1.5 g/t Au over 316.3 metres under the former Beliveau Mine Main Dyke; 2.3 g/t Au over 35 metres and 27.0 g/t Au over 3.5 metres intersected in near-surface expansion drilling East and South, respectively, at the New Beliveau Deposit; and intervals of up to 5.1 g/t Au over 16.5 metres under the Highway Zone.

On October 19, 2017, the Company announced the acquisition of the 100% interest in the Courvan Property from Monarques in exchange for an aggregate cash payment of \$400,000. Courvan Property is comprised of 30 mining claims and two mining concessions totaling approximately 11 square kilometres and hosts the past-producing Bussiere Gold Mine.

The following table summarizes the Company's current exploration programs on all of its properties, total estimated cost to complete each exploration program, and total expenditures incurred to date:

*Table A – Mineral Exploration Properties*

<b>Property/Project</b>	<b>Activities Completed (Year Ended December 31, 2017)</b>	<b>Plans for the Project in 2018</b>	<b>(A) Estimated Cost to Complete</b>	<b>(B) Spent</b>	<b>Total (A+B)</b>
Pascal <sup>(1)</sup>	Drilling, Geochemistry, Airborne, Mapping, LIDAR, Technical studies and ground geophysics	Ground geophysics, Geochemistry, Mapping, Stripping, Drilling, LIDAR, Technical Studies	\$9,275,000	\$8,488,800	\$17,763,800
Megiscane-Tavernier <sup>(1)</sup>	Airborne geophysical survey, Prospecting	Ground geophysics, Prospecting	\$303,000	\$140,500	\$443,500

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

Lapaska <sup>(1)</sup>	None	Ground geophysics, Geological Compilation	\$100,000	\$nil	\$100,000
Casagasic <sup>(2)</sup>	Ground geophysical survey	None	\$1,000	\$34,900	\$35,900
KLM <sup>(2)</sup>	None	None	\$nil	\$250	\$250
Bell-Vezza <sup>(2)</sup>	Airborne geophysical survey	None	\$1,000	\$35,000	\$36,000
Sinclair-Bruneau <sup>(2)</sup>	Geological Compilation, Ground geophysical survey	Prospecting, Drilling	\$307,000	\$193,500	\$500,500
Florence <sup>(2)</sup>	Airborne geophysical survey, Soil sampling	Prospecting	\$79,000	\$187,700	\$266,700
Céré-113 <sup>(2)</sup>	None	None	\$nil	\$100	\$100
Detour Quebec North <sup>(3)</sup>	Geological Compilation, Ground geophysical survey	None	\$6,000	\$80,500	\$86,500
Detour Quebec East <sup>(3)</sup>	Airborne geophysical survey	None	\$10,000	\$129,300	\$139,300
Detour Quebec SOQUEM (JV) <sup>(3,4)</sup>	Ground geophysical survey, Prospecting	Drilling, Ground and airborne geophysics	\$2,036,000	\$413,000	\$2,449,000
Dubuisson (JV) <sup>(5)</sup>	None	Program Planning (2018-19)	\$nil	\$nil	\$nil
Granada Extension <sup>(6)</sup>	None	Program Planning (2018-19)	\$nil	\$nil	\$nil
West Porcupine	Ground geophysical survey, soil sampling, mapping, drilling	None	\$40,000	\$1,205,000	\$1,245,000
West Timmins (JV)	None	Program Planning (2018-19)	\$nil	\$nil	\$nil
Black Creek	None	None	\$nil	\$1,600	\$1,600
Tamarack	Airborne geophysics,	None	\$nil	\$171,400	\$171,400
Victory	None	Geochemistry	\$18,000	\$nil	\$18,000
Millen Mountain	Ground geophysics	Soil sampling, Drilling	\$168,000	\$231,400	\$399,400
Greenfield	Soil geochemical	None	\$nil	\$94,100	\$94,100

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

	survey				
<b>Total exploration expenditures</b>			<b>\$12,344,000</b>	<b>\$11,407,050</b>	<b>\$23,751,050</b>

- (1) Included in the Val-d'Or East Project;
- (2) Included in the Casa-Cameron Project;
- (3) Included in the Detour Quebec Project;
- (4) Exploration work funded by SOQUEM – not included in the Total exploration expenditures;
- (5) Included in the Option and/or JV properties; and
- (6) Included in the Granada Extension Project.

*Table B – Mineral Exploration Properties under Option*

<b>Property/Project</b>	<b>Activities Completed (Year Ended December 31, 2017)</b>	<b>Plans for the Project in 2018</b>	<b>(A) Estimated Cost to Complete</b>	<b>(B) Spent</b>	<b>Total (A+B)</b>
Cadillac Break East <sup>(1)</sup>	Geological Compilation, Airborne geophysical survey, drilling, mapping, LIDAR, Soil sampling	Ground geophysics, Prospecting, Geological Mapping, Drilling	\$1,489,000	\$1,175,300	\$2,664,300
Monique <sup>(1)</sup>	Geological Compilation, ground geophysics, LIDAR	Ground geophysics, Drilling, Prospecting	\$937,000	\$239,400	\$1,176,400
<b>Total exploration expenditures (Table B)</b>			<b>\$2,426,000</b>	<b>\$1,414,700</b>	<b>\$3,840,700</b>
<b>Total exploration expenditures (Tables A and B)</b>			<b>\$14,770,000</b>	<b>\$12,821,750</b>	<b>\$27,591,750</b>

**Technical Information**

David Palmer, Ph.D., P.Geo., is the “qualified person”, within the meaning of NI-43,101, who has approved all scientific and technical information disclosed in this MD&A relating to *Table A – Mineral Exploration Properties* and *Table B – Mineral Exploration Properties under Option* under the heading “Liquidity and Capital Resources”. Dr. Palmer is the President, Chief Executive Officer (“CEO”) and a director of the Company.

### **Capital Risk Management**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing.

The Company considers its capital to be equity which at December 31, 2017, totaled \$29,494,437.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2017. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than the flow-through contractual obligations and Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2017, the Company is compliant with Policy 2.5.

### **Financial Risk Management**

#### **Financial risk**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

#### **(i) Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Amounts receivable consists mainly of taxes recoverable. The Company has no significant concentration of credit risk arising from operations.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the Company had cash of \$21,523,127, to settle current liabilities of \$2,917,045. The Company notes that the flow-through share liability which represents \$1,787,679 of current liabilities balance is not settled through cash payment. Instead, this balance is amortized against qualifying flow-through expenditures which are required to be incurred before December 31, 2018. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and quoted prices.

(a) Interest rate risk

The Company has \$21,523,127 cash balances and no interest-bearing debt and was not exposed to interest rate risk. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. As a result, the Company's exposure to interest rate risk is minimal.

(b) Foreign currency risk

The Company does not have any significant assets in currency other than the functional currency of the Company, nor has significant foreign currency denominated liabilities, therefore any changes in foreign exchange rates will not give rise to significant changes to the net loss.

(c) Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

**Sensitivity analysis**

The Company's marketable securities are denominated in Canadian dollars and are subject to fair value fluctuations. As at December 31, 2017, if the fair value of the Company's marketable securities had increased/decreased by 20% with all other variables held constant, profit and loss for the year ended December 31, 2017, would have been approximately \$1,685,000 lower/higher. Similarly, as at December 31, 2017, the Company's reported shareholders' equity would have been approximately \$1,685,000 higher/lower as a result of a 20% increase/decrease in marketable securities.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

**Related Party Transactions**

(a) Related parties include the Board and management, close family and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into the following transactions with related parties:

Names	Year Ended December 31, 2017 (\$)	Year Ended December 31, 2016 (\$)
Peterson McVicar LLP (" <b>Peterson</b> ") <sup>(1)</sup>	170,549	249,898
Marrelli Support Services Inc. (" <b>Marrelli Support</b> ") <sup>(2)</sup>	69,038	52,180
DSA Corporate Services Inc. (" <b>DSA</b> ") <sup>(2)</sup>	16,579	23,515
<b>Total</b>	<b>256,166</b>	<b>325,593</b>

<sup>(1)</sup> Dennis H. Peterson, a director of the Company, controls Peterson which provided legal services to the Company. The amounts charged by Peterson are based on what Peterson usually charges its clients. The Company expects to continue to use Peterson for an indefinite period. As at December 31, 2017, Peterson was owed \$24,001 (December 31, 2016 - \$17,581) and this amount was included in amounts payable and other liabilities.

<sup>(2)</sup> During the year ended December 31, 2017, the Company paid professional fees of \$69,038 (year ended December 31, 2016 - \$52,180) to Marrelli Support, an organization of which Carmelo Marrelli is president. Mr. Marrelli is the Chief Financial Officer ("**CFO**") of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. As at December 31, 2017, Marrelli Support was owed \$11,888 (December 31, 2016 - \$10,260) and this amount was included in amounts payable and other liabilities.

During the year ended December 31, 2017, the Company paid professional fees of \$16,579 (year ended December 31, 2016 - \$23,515) to DSA, an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2017, DSA was owed \$1,469 (December 31, 2016 - \$2,104) and this amount was included in amounts payable and other liabilities.

<sup>(3)</sup> On June 10, 2016, pursuant to the Transaction, Marco Gagnon, Executive Vice President and a director of Probe received 341,250 stock options of the Company with a fair value of \$317,978.

<sup>(4)</sup> On August 17, 2016, as part of a brokered private placement (the "**Financing**"), Goldcorp Inc. purchased 1,315,800 units (the "**Units**"). Each Unit consists of one common share and one-half of one common share purchase warrant ("**Warrant**"). In addition, certain directors and officers of Probe purchased an aggregate of 772,480 Units pursuant to the Financing, being: Jamie Sokalsky - 250,000

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

Units, Basil Haymann - 250,000 Units, Gord McCreary - 100,000 Units, David Palmer - 67,480 Units, Marco Gagnon - 45,000 Units, Yves Dessureault - 30,000 Units and Patrick Langlois - 30,000 Units.

The above noted transactions are in the normal course of business and approved by the Board in strict adherence to conflict of interest laws and regulations.

(b) At December 31, 2017, Goldcorp owned 12,868,646 common shares of Probe, representing approximately 13.7% of the issued and outstanding common shares of the Company and Kingsley Advisors, LLC ("**Kingsley**") owned 10,108,959 common shares of Probe, representing approximately 10.8% of the issued and outstanding common shares of the Company. The remaining 75.5% of the shares are widely held, which includes various small holdings which are owned by directors of the Company. These holdings can change at any time at the discretion of the owner.

The Company's major shareholders do not have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, other than Goldcorp and Kingsley, who owns or controls, directly or indirectly, approximately 13.7% and 10.8%, respectively of the issued and outstanding shares at December 31, 2017, the Company is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

(c) Remuneration of directors and key management personnel, other than consulting fees, of the Company was as follows:

	<b>Salaries and Benefits (\$)</b>	<b>Share-based Compensation (\$)</b>	<b>Total (\$)</b>
<b>Year Ended December 31, 2017</b>			
David Palmer, CEO, Director	530,000	242,935	772,935
Yves Dessureault, Chief Operating Officer	337,500	156,602	494,102
Patrick Langlois, Vice President, Corporate Development	283,500	109,756	393,256
Marco Gagnon, Executive Vice President	290,250	105,403	395,653
Jamie Sokalsky, Chairman of the Board	72,000	218,642	290,642
Gordon McCreary, Director	36,000	109,756	145,756
Basil Haymann, Director	36,000	109,756	145,756
Dennis Peterson, Corporate Secretary, Director	36,000	109,756	145,756
Carmelo Marrelli, CFO	nil	24,729	24,729
<b>Total</b>	<b>1,621,250</b>	<b>1,187,335</b>	<b>2,808,585</b>

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

<b>Year Ended December 31, 2016</b>	<b>Salaries and benefits (\$)</b>	<b>Share-based compensation (\$)</b>	<b>Total (\$)</b>
David Palmer, CEO, Director	565,000	335,938	900,938
Yves Dessureault, Chief Operating Officer	321,500	212,598	534,098
Patrick Langlois, Vice President, Corporate Development	263,750	153,093	416,843
Marco Gagnon, Executive Vice President	317,879	133,887	451,766
Jamie Sokalsky, Chairman of the Board	48,000	302,344	350,344
Gordon McCreary, Director	24,000	153,093	177,093
Basil Haymann, Director	24,000	153,093	177,093
Dennis Peterson, Corporate Secretary, Director	24,000	153,093	177,093
Carmelo Marrelli, CFO	nil	35,513	35,513
<b>Total</b>	<b>1,588,129</b>	<b>1,632,652</b>	<b>3,220,781</b>

The directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services. As at December 31, 2017, officers and directors were owed \$482,772 (December 31, 2016 - \$470,456) and this amount was included in amounts payable and other liabilities.

**New Standard Adopted During The Year**

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("**IFRS 15**") and replaced IAS 18 – Revenue, IAS 11 – Construction Contracts and IFRIC 13 – Customer Loyalty Programmes. IFRS 15 clarifies how an entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company early adopted IFRS 15 with a date of initial application of January 1, 2017, resulting in no impact on its consolidated financial statements.

**Recent Accounting Pronouncements**

IFRS 9 – Financial Instruments ("**IFRS 9**") was issued by the IASB in July 2014 and will replace IAS 39 – Financial Instruments: Recognition and Measurement ("**IAS 39**"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. Management does not anticipate the impact to be significant.

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 - Leases. The IASB issued its standard as part of a joint project with the Financial Accounting Standards Board ("FASB"). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 - Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16. The Company is in the process of assessing the impact of this pronouncement.

### **Share Capital**

As at the date of this MD&A, the Company had a total of 93,914,742 common shares issued and outstanding. An additional 5,996,937 common shares are subject to issuance pursuant to the following: 5,996,937 stock options. Each stock option will be exercisable to acquire one common share at a price of \$0.15 to \$1.76 per common share with an expiry date of May 31, 2018 to March 19, 2025.

### **Disclosure of Internal Controls**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that the consolidated financial statements (i) do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) fairly present in all material respects the financial condition, results of operations and cash flow of the Company, in each case as of the date of and for the periods presented by such statements.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the CEO and CFO of the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as such terms are defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of the Company's certifying officers of a

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

venture issuer to design and implement, on a cost effective basis, DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required to be provided under securities legislation.

### **Risks and Uncertainties**

The exploration, development and mining of mineral resources are highly speculative in nature and are subject to significant risks. In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

### **Development Stage Company and Exploration Risks**

The Company is a junior resource company focused primarily on the acquisition, exploration and development of mineral properties located in Canada. The Company's properties have no established mineral reserves. There is no assurance that any of the Company's projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

### **Reliability of Mineral Resource Estimates**

Mineral resources are estimates based on sampling of the mineralized material in a deposit. Such estimates may not be found to be accurate. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimation of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred resources, including those discussed in this MD&A, are ones for which there has been insufficient exploration to define 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.

Unless otherwise indicated, mineralization figures presented in this MD&A and in any NI 43-101 technical reports filed by the Company are based upon estimates made by geologists and the Company's personnel. Although the mineral resource figures set out in this MD&A and in such technical reports have

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

been carefully prepared and reviewed or verified by qualified persons, these amounts are estimates only and no assurance can be given that an identified mineral resource will ever become a mineral reserve or in any way qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, all of which may prove to be unreliable. Furthermore, there are risks related to the reliability of analytical results and unforeseen possible variations in grade or other considerations.

### **Commodity Markets**

The price of the Company's securities, its financial results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors adversely affect the price of the precious and base metals that are the subject of the Company's exploration efforts, the market price of the Company's securities may decline.

### **Market Fluctuation and Commercial Quantities**

The market for minerals is influenced by many factors beyond the Company's control, including without limitation the supply and demand for minerals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as chromite) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital or having its mineral projects be rendered uneconomic.

### **Option and Joint Venture Agreements**

The Company has and may continue to enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying mineral claims.

### **Property Titles**

The principal property interests that the Company owns, controls or has the right to acquire by option or agreement come variously under the *Mining Act* (Ontario), the *Registry Act* (Ontario) or the *Land Titles Act* (Ontario), each of which has its own registration and management systems. Although the Company has either obtained title opinions or reviewed title for the material properties that it owns, controls or has the right to acquire by option or agreement, there is no guarantee that title to such mineral property interests will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. The Company may also experience challenges in effecting the transfer of title to certain of its mineral properties. There may be valid challenges to the title of the mineral property interests which, if successful, could impair development and/or operations.

### **Financing Risks**

Although the Company currently has significant cash, the Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's properties may be dependent upon its ability to obtain financing through equity or debt, and although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects.

### **Mining Risks and Insurance**

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment 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 Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also 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. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that it may elect not to insure against because of premium costs or other reasons. Losses from these events may

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

**Government Regulations, Permitting and Taxation**

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its activities, its various licences and permits must be obtained and kept current. There is no guarantee that the Company's licences and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licences or permits could be changed and there can be no assurances that any application to renew any existing licences will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licences that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

**Health, Safety and Community Relations**

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company has made, and expects to make in the future, significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Company's mineral properties.

**Environmental Protection**

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it more costly for the Company to remain in compliance with such laws and regulations.

### **Reliance on Key Personnel**

The Company's development to date has largely depended and in the future will continue to depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

### **Competitive Industry Environment**

The mining industry is highly competitive, both domestically and internationally. The Company's ability to acquire properties and develop mineral reserves in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration, of which there is a limited supply. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter competition from other mining companies in its efforts to hire experienced mining professionals. Competition could adversely affect the Company's ability to attract necessary funding or acquire suitable producing properties or prospects for mineral exploration in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability, and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

### **Global Financial Conditions**

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for junior mineral exploration companies, has been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such conditions continue, the Company's operations could be negatively impacted.

### **Infrastructure**

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

**Cautionary Note Regarding Forward-Looking Statements**

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
Regardless of whether the Company discovers a significant precious or base metal deposit, its working capital of \$28,572,166 at December 31, 2017 is anticipated to be adequate for it to continue operations for the twelve-month period ending December 31, 2018	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2018, and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; changes in operating and exploration activities; changes in economic conditions; timing of expenditures
The Company's properties may contain economic deposits of minerals	The actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the	Commodity price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations;

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
	price of applicable commodities and applicable interest and exchange rates will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; and the Company has or will obtain adequate property rights to support its exploration and development activities	changes in economic and political conditions
The Company's anticipated business plans, including costs and timing for future exploration on its property interests and acquisitions of additional mineral resource properties or interests therein	The exploration activities of the Company and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company; financing will be available for the Company's exploration and development activities on favourable terms; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; the price of applicable commodities will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; the Company has or will obtain adequate property rights to support its exploration and development activities; and the Company will be able to successfully identify and negotiate new acquisition opportunities	Commodity price volatility; changes in the condition of debt and equity markets; timing and availability of external financing on acceptable terms may not be as anticipated; the uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits is subject to governmental and/or regulatory approvals; the Company does not have control over the actions of its joint venture partners and/or other counterparties

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

Forward-looking statements	Assumptions	Risk factors
Management's outlook regarding future trends and exploration programs	Financing will be available for the Company's exploration and operating activities; the price of applicable commodities will be favourable to the Company; the actual results of the Company's exploration and development activities will be favourable; management is aware of all applicable environmental obligations	Commodity price volatility; changes in the condition of debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; the possibility that future exploration results will not be consistent with the Company's expectations; changes in environmental and other applicable legislation and regulation

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements contained in this MD&A, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Subsequent Events**

- (i) In January 2018, the Company purchased 600,000 units of GFG for \$300,000. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of GFG at an exercise price of \$0.75 for a period of 24 months.
- (ii) On February 17, 2018, 6,600,000 warrants with an exercise price of \$1.75 expired unexercised.
- (iii) On March 29, 2018, the Company announced the filing of a technical report for its Val-d'Or East project (the "Report") entitled, "NI 43-101 Technical Report of Val-d'Or East Property, Abitibi Greenstone Belt, Quebec, Canada". The Report dated March 29, 2018 was prepared in accordance with National

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

Instrument 43-101 - Standards for Disclosure for Mineral Projects. The Report is available for review at [www.probematerials.com](http://www.probematerials.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

(iv) On April 10, 2018, the Company provided new results from the ongoing 85,000 metres drill program at the Val-d'Or East project. Results from 44 drill holes, totaling 17,580 metres, were received and indicate continued expansion of the new gold resources along the Pascalis Gold Trend through the application of the geological model. Highlights from the program include: near-surface intercepts grading 4.9 g/t Au over 41metres, 8.4 g/t Au over 3.0 metres and 3.5 over 4.7 metres; intervals of 9.7 g/t Au over 5.5 metres, 5.1 g/t Au over 7.0 metres and 3.0 g/t Au over 11.0 metres at depth; and thick zones of lower grade material in the North Zone deposit at shallow depths.

**Additional Disclosure for Venture Issuers**

**General and Administrative Expenses**

<b>Detail</b>	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>
Share-based payments	1,511,280	2,055,805
Salaries and benefits	1,278,128	1,500,104
Travel and promotion costs	363,011	278,371
Professional fees	259,176	503,012
Administrative costs	229,710	187,218
Director fees	180,388	120,743
Occupancy costs	129,607	128,411
Shareholder information	116,522	82,307
Depreciation	83,000	18,990
Income tax recovery	nil	(1,296)
<b>Total</b>	<b>4,150,822</b>	<b>4,873,665</b>

Probe Metals Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2017  
Dated: April 12, 2018

---

**Exploration and Evaluation Expenditures**

Val-d'Or East Project

<b>Expenditures</b>	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>
Transaction costs	nil	22,442,577
Advanced exploration	384,970	nil
Drilling	7,218,061	834,466
Environment	44,380	12,569
General field expenses	461,619	132,005
Geochemical	123,226	nil
Geology	270,092	44,827
Geophysics	1,414,254	661,048
Metallurgical testwork	39,327	nil
Option payment and staking claims	1,468,022	1,497,225
Research and development	36,000	817
Social and community	9,737	nil
Tax credit related to resources	nil	(6,738)
<b>Total</b>	<b>11,469,688</b>	<b>25,618,796</b>

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

Detour Project

	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>
<b>Expenditures</b>		
Transaction costs	nil	8,940,033
Drilling	9,374	1,449
General field expenses	6,107	1,783
Geochemical	303	nil
Geology	10,494	11,374
Geophysics	357,762	755
Option payment and staking claims	28,959	3,382
Tax credit related to resources	nil	(2,729)
Operator of exploration project	(18,623)	(38,325)
<b>Total</b>	<b>394,376</b>	<b>8,917,722</b>

Casa-Cameron Project

	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>
<b>Expenditures</b>		
Transaction costs	nil	541,293
Drilling	nil	797
General field expenses	4,112	3,433
Geochemical	6,805	nil
Geology	54,400	6,321
Geophysics	369,872	41,664
Licences and permits	nil	1,193
Option payment and staking claims	12,167	44,785
Research and development	4,000	nil
Tax credit related to resources	nil	3,167
<b>Total</b>	<b>451,356</b>	<b>642,653</b>

Probe Metals Inc.  
Management's Discussion & Analysis  
Year Ended December 31, 2017  
Dated: April 12, 2018

---

Granada Extension Project

	Year Ended December 31, 2017 (\$)	Year Ended December 31, 2016 (\$)
<b>Expenditures</b>		
Transaction costs	nil	960,386
<b>Total</b>	<b>nil</b>	<b>960,386</b>

Option and/or JV properties

	Year Ended December 31, 2017 (\$)	Year Ended December 31, 2016 (\$)
<b>Expenditures</b>		
Transaction costs	nil	42,980
<b>Total</b>	<b>nil</b>	<b>42,980</b>

Black Creek Property

	Year Ended December 31, 2017 (\$)	Year Ended December 31, 2016 (\$)
<b>Expenditures</b>		
General field expenses	nil	1,892
Geochemical	813	644
Other	754	808
<b>Total</b>	<b>1,567</b>	<b>3,344</b>

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

Tamarack-McFauld's Lake Property

	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>
<b>Expenditures</b>		
Geochemical	nil	69,680
Geology	163	846
Geophysics	171,237	nil
<b>Total</b>	<b>171,400</b>	<b>70,526</b>

West Porcupine Property

	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>
<b>Expenditures</b>		
Drilling	401,407	nil
General field expenses	40,731	47,617
Geochemical	nil	323,645
Geology	119,039	286,405
Geophysics	615,490	314,585
Option payment and staking claims	8,481	859,838
Other	nil	3,570
Social and community	25,679	7,024
Sale of West Porcupine Property	(3,238,942)	nil
<b>Total</b>	<b>(2,028,115)</b>	<b>1,842,684</b>

**Probe Metals Inc.**  
**Management's Discussion & Analysis**  
**Year Ended December 31, 2017**  
**Dated: April 12, 2018**

---

Millen Mountain Property

	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>
<b>Expenditures</b>		
General field expenses	67,134	nil
Geochemical	52,213	nil
Geology	106,605	nil
Geophysics	80,771	nil
Option payment and staking claims	18,739	nil
<b>Total</b>	<b>325,462</b>	<b>nil</b>

Project Generation

	<b>Year Ended December 31, 2017 (\$)</b>	<b>Year Ended December 31, 2016 (\$)</b>
<b>Expenditures</b>		
Consulting	3,575	14,909
Legal fees	326	2,361
Other	50,506	199
Travel, accommodation	56,485	46,883
<b>Total</b>	<b>110,892</b>	<b>64,352</b>