PROBE METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2018

(EXPRESSED IN CANADIAN DOLLARS)

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, 2018. 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 financial statements of the Company for the year ended December 31, 2018 and 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's 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 11, 2019, 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** or on SEDAR at **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 Casagosic, 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-

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 Richmont Mines Inc. (now Monarch Gold Corporation), 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 April 10, 2017, the Company entered into an option agreement with Legion Metals on its Millen Mountain gold project in the Middle Mosquodoboit area of Nova Scotia. Under the terms of the agreement, Probe can earn up to 75% of the property by incurring work expenditures. 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

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.

On April 16, 2018, 8,749 stock options with an exercise price of $0.15 and expiry date of May 31, 2018 were exercised for cash proceeds of $1,312.

On April 16, 2018, 3,888 stock options with an exercise price of $0.26 and expiry date of May 16, 2019 were exercised for cash proceeds of $1,011.

On June 19, 2018, the Company completed a private placement financing of 7,380,000 flow-through units of the Company ("**FT Units**") at a price of $1.90 per FT Unit for gross flow-through proceeds of $14,022,000 and 8,377,566 non flow-through units of the Company ("**Hard Units**") at a price of $1.15 per Hard Unit for gross non flow-through proceeds of $9,634,201 (together, the "**Underwritten Offering**"). The Company has also completed a concurrent non-brokered placement of 900,000 Hard Units for gross proceeds of $1,035,000 (the "**Non-Brokered Placement**"). The aggregate proceeds from the Underwritten Offering and the Non-Brokered Placement (collectively, the "**Offering**") totaled $24,691,201.

Each FT Unit or Hard Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder to acquire one common share of the Company for 2 years from the closing of the Offering at a price of $1.45.

In connection with the Offering, Goldcorp Inc. ("**Goldcorp**") exercised its participation right to maintain its pro-rata interest in the Company. Goldcorp purchased 2,280,000 common shares and 1,140,000 Warrants from subscribers to the Offering.

The offering was completed through a syndicate of underwriters led by Sprott Capital Partners, and included Canaccord Genuity Corp., Cormark Securities Inc., Macquarie Capital Markets Canada Ltd., BMO Nesbitt Burns Inc., CIBC Capital Markets, Industrial Alliance Securities Inc., and Mackie Research Capital Corp. In consideration for their services, the underwriters received a cash commission equal to approximately 6 per cent of the gross proceeds of the Offering.

On June 22, 2018, the Company granted options to acquire a total of 2,910,000 common shares of the Company to employees, officers, directors and consultants at the exercise price of $1.22 per share for a period of five years. Vesting of the options is as follows: one-third on day of grant, one-third after one year and one-third after two years.

On June 22, 2018, the Company granted 935,000 restricted share units ("**RSU**") to officers, directors and key employees of the Company. These RSU vest as follows: 100% on the third anniversary.

On September 30, 2018, 25,000 stock options with an exercise price of $1.50 and expiry date of September 1, 2021 were cancelled.

Trends

The average quarterly gold spot price for the three months ended December 31, 2018 was US$1,229 per ounce compared to US$1,213 per ounce for the three months ended December 31, 2017.

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

	Year Ended December 31, 2018 ($)	Year Ended December 31, 2017 ($)	Year Ended December 31, 2016 ($)
Revenues	-	-	-
Interest and other income	491,036	294,786	150,885
Net loss	(20,420,156)	(10,513,713)	(41,604,732)
Net loss per share - basic	(0.20)	(0.11)	(0.69)
Net loss per share - diluted	(0.20)	(0.11)	(0.69)
	As at December 31, 2018 ($)	**As at December 31, 2017 ($)**	**As at December 31, 2016 ($)**
Total assets	32,539,426	32,411,482	30,767,603
Total non-current financial liabilities	300,972	nil	nil
Distribution or cash dividends	nil	nil	nil

- The net loss for the year ended December 31, 2018, consisted primarily of exploration and evaluation expenditures of $15,612,236, general and administrative of $4,169,459, loss on marketable securities of $5,715,967 and interest expense of $23,014. This was offset by interest and other income of $491,036, premium on flow-through shares of $4,567,378 and gain on sale of property and equipment of $42,106.

- 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.

- 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.

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, 2018, 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 ($)	Profit or Loss: Total ($)	Profit or Loss: Basic and Diluted Loss Per Share ($)	Total Assets ($)
2017-March 31	-	(2,924,037) [(1)]	(0.03)	41,544,310
2017-June 30	-	(3,274,971) [(2)]	(0.04)	38,133,562
2017-September 30	-	(3,288,017) [(3)]	(0.04)	33,896,432
2017-December 31	-	(1,026,688) [(4)]	(0.01)	32,411,482
2018-March 31	-	(6,467,008) [(5)]	(0.07)	25,977,199
2018-June 30	-	(6,220,820) [(6)]	(0.06)	42,495,531
2018-September 30	-	(4,482,950) [(7)]	(0.04)	36,878,685
2018-December 31	-	(3,249,378) [(8)]	(0.03)	32,539,426

[(1)] 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.

[(2)] 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.

[(3)] 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.

[(4)] 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.

(5) Net loss of $6,467,008 principally relates to exploration expenditures of $4,209,829, share-based payments of $167,504, salaries and benefits of $299,735, travel and promotion costs of $95,533, professional fees of $113,020, administrative costs of $27,607, occupancy costs of $31,143, director fees of $45,000, shareholder information of $58,893, depreciation of $31,776 and loss on marketable securities of $2,954,563. These costs were offset by $98,713 in interest and other income, premium on flow-through shares of $1,426,776 and gain on sale of property and equipment of $42,106.

(6) Net loss of $6,220,820 principally relates to exploration expenditures of $3,620,993, share-based payments of $809,145, salaries and benefits of $207,288, travel and promotion costs of $91,929, professional fees of $72,028, administrative costs of $50,923, occupancy costs of $38,934, director fees of $59,000, shareholder information of $59,975, depreciation of $31,903 and loss on marketable securities of $1,514,103. These costs were offset by $79,371 in interest and other income and premium on flow-through shares of $256,030.

(7) Net loss of $4,482,950 principally relates to exploration expenditures of $4,203,301, share-based payments of $436,948, salaries and benefits of $57,871, travel and promotion costs of $47,688, professional fees of $47,106, administrative costs of $43,692, occupancy costs of $38,891, director fees of $52,207, shareholder information of $14,008, depreciation of $32,096 and loss on marketable securities of $740,607. These costs were offset by $152,830 in interest and other income and premium on flow-through shares of $1,078,635.

(8) Net loss of $3,249,378 principally relates to exploration expenditures of $3,578,113, share-based payments of $340,325, salaries and benefits of $392,010, travel and promotion costs of $97,403, professional fees of $92,104, administrative costs of $67,620, occupancy costs of $13,037, director fees of $52,394, shareholder information of $14,727, depreciation of $37,996, interest expense of $23,014 and loss on marketable securities of $506,694. These costs were offset by $160,122 in interest and other income and premium on flow-through shares of $1,805,937.

Results of Operations

Three months ended December 31, 2018, compared with three months ended December 31, 2017

The Company's net loss totaled $3,249,378 for the three months ended December 31, 2018, with basic and diluted loss per share of $0.03. This compares with a net loss of $1,026,688 with basic and diluted loss per shares of $0.01 for the three months ended December 31, 2017. The Company had no revenue in both periods presented. The increase in net loss was principally due to:

- Exploration and evaluation expenditures increased to $3,578,113 for the three months ended December 31, 2018, compared to $136,152 for the three months ended December 31, 2017. The increase of $3,441,961 can be attributed to decreased exploration activity. 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, 2018, to $392,010 compared with $688,816 for the same period in 2017, primarily due to salaries being charged to specific projects in the current period compared to the prior period.

- Share-based payments increased in the three months ended December 31, 2018, to $340,325 compared with $187,262 for the same period in 2017. The increase is due to the timing of expensing the estimated fair value of stock options and RSUs granted in prior and current periods. The Company expenses its stock options and RSUs in accordance with the vesting terms of the stock options and RSUs granted.

- Professional fees increased in the three months ended December 31, 2018, to $92,104 compared with $85,574 for the same period in 2017, primarily due to higher corporate activity requiring external professional support services.

- Administrative costs decreased in the three months ended December 31, 2018, to $67,620 compared with $93,760 for the same period in 2017. Administrative costs consisted of administrative costs such as telephone charges, insurance, postage, bank charges and office supplies.

- Travel and promotion costs increased in the three months ended December 31, 2018, to $97,403 compared with $83,599 for the same period in 2017, primarily due to higher corporate activity requiring travel by management.

- Interest and other income increased in the three months ended December 31, 2018, to $160,122 compared with $83,631 for the same period in 2017. Interest and other income was recorded during the period for interest earned on cash balances.

- Loss on marketable securities decreased in the three months ended December 31, 2018, to $506,694 compared with a loss of $546,470 for the same period in 2017. The decrease 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, 2018, to $1,805,937 compared to $827,138 for the same period in 2017. 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.

- All other expenses related to general working capital purposes.

<u>Year ended December 31, 2018, compared with year ended December 31, 2017</u>

The Company's net loss totaled $20,420,156 for the year ended December 31, 2018, with basic and diluted loss per share of $0.20. This compares with a net loss of $10,513,713 with basic and diluted loss per shares of $0.11 for the year ended December 31, 2017. The Company had no revenue in both years presented. The increase in net loss was principally due to:

- Exploration and evaluation expenditures increased to $15,612,236 for the year ended December 31, 2018, compared to $10,896,626 for the year ended December 31, 2017. The increase of $4,715,610 can be attributed to increased exploration activity. 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 year ended December 31, 2018, to $956,904 compared with $1,278,128 for the same period in 2017, primarily due to salaries being charged to specific projects in the current period compared to the prior period.

- Share-based payments increased in the year ended December 31, 2018, to $1,753,922 compared with $1,511,280 for the same period in 2017. 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 increased in the year ended December 31, 2018, to $324,258 compared with $259,176 for the same period in 2017, primarily due to higher corporate activity requiring external professional support services.

- Travel and promotion costs decreased in the year ended December 31, 2018, to $332,553 compared with $363,011 for the same period in 2017, primarily due to lower corporate activity requiring travel by management.

- Shareholder information increased in the year ended December 31, 2018, to $147,603 compared with $116,522 for the same period in 2017, primarily due to higher corporate activity requiring external services.

- Administrative costs decreased in the year ended December 31, 2018, to $189,842 compared with $229,710 for the same period in 2017. 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, 2018, to $491,036 compared with $294,786 for the same period in 2017. Interest and other income was recorded during the period for interest earned on cash balances.

- Loss on marketable securities increased in the year ended December 31, 2018, to $5,715,967 compared with a gain of $1,378,004 for the same period in 2017. The increase in loss was due to the change in fair value of marketable securities.

- Premium on flow-through shares increased in the year ended December 31, 2018, to $4,567,378 compared to $2,860,945 for the same period in 2017. 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.

- Gain on sale of property increased in the year ended December 31, 2018, to $42,106 compared with $nil for the same period in 2017. The increase is due to the sale of a site building for cash proceeds of $285,000 during the current year.

- All other expenses related to general working capital purposes.

The Company's total assets at December 31, 2018 were $32,539,426 (December 31, 2017 - $32,411,482) against total liabilities of $4,070,306 (December 31, 2017 - $2,917,045). The increase in total assets of $127,944 resulted from net cash proceeds of $23,173,594 from the Offering completed on June 19, 2018, cash proceeds of $2,323 from the exercise of stock options and the proceeds from the sale of property and equipment of $285,000, which was offset by cash spent on property and equipment in the amount of $44,650, purchase of marketable securities of $300,000, exploration and evaluation expenditures and operating costs. The Company has sufficient current assets to pay its existing liabilities of $4,070,306 at December 31, 2018. Liabilities include flow-through share liability of $2,755,301 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, 2019.

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, 2018, the Company is committed to incurring approximately $7.0 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2019 arising from the flow-through offerings.

Liquidity and Capital Resources

From management's point of view, the Company's cash and short-term investments of $27,553,609 at December 31, 2018 is adequate to cover current expenditures and exploration expenses for the coming year. As at December 31, 2018, the cash balance is $17,534,967 and short-term investments balance is $10,018,642 which consist of GIC. The Company also has marketable securities of $3,009,630 at December 31, 2018 (December 31, 2017 – $8,425,597), 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, 2018, and to the date of this MD&A, the cash resources of the Company are held with certain Canadian charted banks.

At December 31, 2018, the Company had cash and short-term investments of $27,553,609. The increase in cash and short-term investments of $6,030,482 from the December 31, 2017 cash and short-term investments balance of $21,523,127 was a result of cash outflows in operating activities of $17,077,977, cash outflows in investing activities of $59,650 (excluding the purchase of short-term investments of $10,000,000) and cash inflows in financing activities of $23,149,467. Operating activities were affected by adjustments of share-based payments of $1,753,922, depreciation of $133,771, accrued interest receivable of $14,190, gain on sale of property and equipment of $42,106, loss on marketable securities of $5,715,967, premium on flow-through shares of $4,567,378, interest expense of $23,014 and net change in non-cash working capital balances of $310,779 because of a decrease in trade accounts receivable and other receivables of $477,909, an increase in prepaid expenses of $27,527 and a decrease in amounts payable and other liabilities of $139,583.

Cash used in investing activities was $10,059,650 for the year ended December 31, 2018. This related to the purchase of short-term investments of $10,000,000, the acquisition of property and equipment, which includes computer equipment and field equipment of $44,650 and purchase of marketable securities of $300,000, which was offset by the proceeds from sale of property and equipment of $285,000 from the sale of a site building.

Cash provided by financing activities was $23,149,467 for the year ended December 31 2018. Financing activities were affected by the Offering of $24,691,201 and exercise of stock options of $2,323, which was offset by share issue costs of $1,517,607 and lease liability of $26,450.

Regardless of whether the Company discovers a significant precious or base metal deposit, its working capital of $27,851,178 at December 31, 2018 is anticipated to be adequate for it to continue operations for the twelve-month period ending December 31, 2019.

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 three (3) are 100%-owned and two (2) under option by Probe, totaling more than 820 claims and covering an area of 33,429 hectares.

The main property, namely Val-d'Or East – Pascalis, is adjacent to the Beaufor Gold Mine held by Monarques Gold Corporation (*formerly* Richmont 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 potential open-pit extraction. In 2016-2017, Probe Metals completed 202 new drill holes, or deepend existing holes, for a total of 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. During the 2016-2017 work program, IP surveys, ground magnetic surveys, and helicopter-borne electromagnetic VTEM-MAG surveys were completed and highlighted promising areas. The exploration potential is very favorable for a large multi-million ounce gold deposit(s) 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, based on historic reports, 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 761 claims and covering an area of 408 km2. The properties are strategically located over a strike length of 80 km along the Detour Gold Trend ("**DGT**") which encompasses the Detour Lake deposit (15.4 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 572 claims covering an area of 306 square kilometres along the Detour Gold Trend and hereon will be referred as Detour Quebec SOQUEM project.

Casa-Cameron properties

As of December 31, 2018, the Casa-Cameron project includes four (4) properties, 100%-owned by the Company, totalling 351 claims and covering 193 km2. The properties are mainly located along a major gold trend between the Casa Berardi Gold Mine (proven and probable reserves of 0.56M ounces, measured and indicated resources of 1.21M ounces and inferred resources of 3.3 mt at 5.5 for 652,000 ounces – Hecla Mining website) and the Bachelor Gold Mine (owned by Bonterra Resources).

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.

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, 2018, the Company expensed $15,612,236 on exploration and evaluation expenditures, compared to $10,896,626 during the year ended December 31, 2017. The increase in 2018 is primarily due to exploration expenditures incurred in 2018 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.

Val-d'Or East project

On January 8, 2018, the Company announced new results from the 2017 drill program at its 100% owned Val-d'Or East project (the "**Project**") located near Val-d'Or, Quebec. In 2017, the Company drilled 83,076 metres in 194 holes at Val-d'Or East. The drill program was focusing on expansion and exploration drilling in and around the New Beliveau gold deposit and on other gold zones along a 2.5 kilometre strike length within the Pascalis Gold Trend. Owing to the success of the 2017 exploration program, the Company has commenced an 85,000-metre drill program that will continue the resource expansion along the Pascalis Gold Trend as well as testing high priority gold targets in new areas within its 327-square kilometre land package during 2018.

Results from thirty-eight (38) holes (PC-17-198 to PC-17-235), totaling 16,104 metres, continue to demonstrate strong potential for expansion and new discoveries surrounding the former Beliveau mine. Expansion drilling in the Main dyke 300 metres to the south has returned significant results with intercepts grading 3 g/t Au over 83.1 metres starting at 7 metres depth, including 5.3 g/t Au over 13.6 metres, 5.9 g/t Au over 5.5 metres and 10.8 g/t Au over 11.4 metres in Hole PC-17-207. Expansion drilling to the north of the New Beliveau deposit intersected 6.1 g/t Au over 6 metres at a vertical depth of approximately 300 metres in hole PC-17-224 along the eastern extension of the high-grade structure (1122 g/t Au over 0.7 metres, DDH PC-17-100), while expansion drilling to the Southwest of the New Beliveau deposit intersected 4.6 g/t Au over 6.5 metres at vertical depth of approximately 70 metres. Drilling to test the extension of the North Zone, approximately 60 metres west of high-grade hole PC-17-168, intersected significant mineralization grading 3.2 g/t Au over 12.4 metres between 10.8 metres and 23.2 metres depth, while continued testing of the eastern extension of the South Zone, 150 to 200 metres east of the discovery hole PC-17-143, intersected new mineralization grading up to 8.1 g/t Au over 3.5 metres between 77 metres and 80.5 metres depth.

On February 13, 2018, the Company announced results from twenty-four (24) drill holes, totaling 12,273 metres, which show continued expansion of all four gold zones. With this last set of drilling results, the New Beliveau gold deposit mineralization has been delineated over an expanded area of more than 1 kilometre by 500 metres and to a depth of over 900 metres. Expansion drilling to the West has returned results grading up to 5.3 g/t over 10.1 metres, at a vertical depth of approximately 300 metres in Hole PC-17-237. Expansion drilling to the South has returned encouraging results with new intercepts grading up to 3 g/t over 7.2 metres, 3.7 g/t over 6.7 metres, 3.4 g/t over 7.6 metres and 10.7 g/t Au over 2.5 metres, between surface to 250 metres vertical depth, in holes PC-17-257, -258, -251 and –245, respectively. New drilling in near surface mineralization west of the former Beliveau Mine continues to confirm grade and thickness with results of up to 10.4 g/t Au over 3.9 metres within a broader zone of 2.3 g/t over 25.3 metres, in Hole PC-17-246. A mineralized interval of 5.4 g/t Au over 6.3 metres intersected at approximately 400 metres vertical depth in Hole PC-17-246 to the southwest of the deposit also indicates that the stacked gold veins system is still open in this direction. With these results, New Beliveau was shown to contain at least thirty-five (35) shallow dipping East-West gold veins, eight (8) North-South sub-vertical mineralized dykes and at least three (3) East-North-East sub-vertical shear veins structures. Ongoing 2018 drilling observations continue to indicate strong potential to discover new gold structures and to add new resource.

This set of results also include expansion drilling on the North Zone to the West with intersections returning 2.8 g/t Au over 7.1 metres and 3.7g/t Au over 7.2 metres between 230 metres and 330 vertical depth in Holes PC-17-253 and –240, respectively. New drilling of the Highway Zone expands the mineralization to the East with an intercept grading up to 9.5 g/t Au over 3 metres at a 400 metres vertical depth in Hole PC-17-242. Additionally, new gold intercept of 12 g/t Au over 3.2 metres at a 200 metres vertical depth in Hole PC-17-236 expanded the South Zone further to the East.

On February 20, 2018, the Company announced the release of an Updated Resource Estimate for its 100% owned Val-d'Or East project. This resource estimate (see Table 1 below) was independently prepared by GéoPointCom in accordance with National Instrument 43-101 ("NI 43-101") and is dated February 20, 2018. The deposits have shown significant improvement over the previous resource estimate and remain open in all directions for future expansion. Four to five drills will be active throughout 2018 on further expansion and discovery.

TABLE 1: FEBRUARY 2018 SUMMARY OF RESOURCES – VAL-D'OR EAST PROPERTY

Deposit / Category	Open Pit-Constrained			Underground			Total		
	Tonnes	Grade (Au g/t)	Gold (oz.)	Tonnes	Grade (Au g/t)	Gold (oz.)	Tonnes	Grade (Au g/t)	Gold (oz.)
Indicated	7,710,300	2.16	535,900	1,325,900	3.44	146,500	**9,036,200**	**2.35**	**682,400**
Inferred	5,259,500	1.46	247,400	4,044,400	3.65	474,700	**9,303,900**	**2.41**	**722,100**

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 Instrument 43-101 - Standards for Disclosure for Mineral Projects. The Report is available for review at **www.probemetals.com** or on SEDAR at **www.sedar.com**.

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, indicate continued expansion of the new gold resources along the Pascalis Gold Trend. 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.

On July 9, 2018, the Company announced results for an additional 42 diamond drill holes on its Val-d'Or East project. Results were positive with numerous significant gold intersections within the New Beliveau, Highway, North and South zones, as well as discoveries in new areas to the south and north of the currently defined gold mineralization trend. Highlights include 4.1 g/t Au over 15.4 metres within a larger zone grading 2.2 g/t Au over 35 metres at shallow depth from the North Zone resource expansion drilling; significant near-surface intercepts grading: 5.6 g/t Au over 3.3 metres, 7.3 g/t Au over 6.6 metres and 7 g/t Au over 5.0 metres to the west of the New Beliveau Zone; 6.2 g/t Au over 5.6 metres and 1.4 g/t Au over 8.8 metres from the Highway Zone resource expansion drilling; and new discoveries located 350 metres north of the Highway Zone, which returned 3.9 g/t Au over 4.9 metres within a larger zone grading 2.6 g/t Au over 8.7 metres at 8 metres depth, and a second zone located in the far south of the Pascalis Gold Trend grading 5.2 g/t Au over 4.4 metres at shallow depth.

On September 18, 2018, the Company released results for an additional 48 diamond drill holes on its Val-d'Or East project. The New Beliveau gold mineralization was identified over an expanded area of approximately 850 metres by 1,200 metres and to a depth of over 900 metres. Drilling between the South Zone and New Beliveau deposit suggest that gold mineralization is continuous and that both zones could be connected with further drilling. Highlights include: 3.2 g/t over 7 metres (PC-18-379); 3.2 g/t over 45.5 metres; (PC-18-401); 2.8 g/t over 7.6 metres (PC-18-386); and 2.8 g/t over 40 metres (PC-18-391). Results also included significant drill intercepts in resource expansion at the North Zone, including 5.7 g/t Au over 9.0 metres (PC-18-367) and 1.8 g/t Au over 25.6 metres (PC-18-392).

On October 23, 2018, the Company released results for 14 drill holes from the Monique Option property, within the Val-d'Or East Project. Drilling was successful in making numerous new discoveries surrounding the past-producing Monique Mine, five kilometres east of the New Beliveau Resource. Highlights include: near surface discovery grading 24.8 g/t Au over 2.2 metres within a larger zone of 5.9 g/t over 10.5 metres, located 400 metres northwest of the Former Monique Open Pit; near-surface discovery grading 20.5 g/t Au over 2.0 metres, located 200 metres north of the Former Monique Open Pit; a 350 metre-long gold structure intersected in five holes 450-650 metres south of the Monique Open Pit. The latter includes near-surface intercepts grading 3.8 g/t Au over 7.0 metres, 1.1 g/t Au over 41.2 metres and 2.4 g/t Au over 12.8 metres. A winter drilling program is being planned to follow-up on the new zones.

On November 27, 2018, the Company provided new results from the 2018 drill program on its 100%-owned Val-d'Or East Courvan property, located approximately 1.5 kilometres to the west of the current resource area. Results from twenty-five drill holes, totaling 8,285 metres, were received and showed significant new discoveries, including: a near surface discovery grading 3.3 g/t Au over 11 metres within a larger zone of 2.0 g/t over 22.4 metres, located 200 metres west of the Former Bussiere Mine; and a near-surface discovery grading 5.2 g/t Au over 7.4 metres and 118 g/t Au over 1.1 metre, located 1,000 metres and 1,200 metres, respectively, north of the Bussiere Mine. In addition, two half kilometre-long gold structures were intersected in fifteen holes south and southwest of the Bussiere Mine, including near-surface intercepts grading 31.3 g/t Au over 1.5 metres, 19.5 g/t Au over 1.2 metres and 10.8 g/t Au over 1.5 metres.

On December 17, 2018, the Company provided new results from its 2018 drill program on the Val-d'Or East Pascalis property. Results from thirty-nine drill holes, totaling 15,438 metres, were received and show continued expansion and strong continuity of the gold resource within the Pascalis Gold Trend. Current results demonstrate expansion of the New Beliveau deposit to the south and significant growth of the North Zone to the north and east. As with previous releases, the focus of the drilling has been the growth of near surface mineralization, between 0 and 300 metres depth. In addition to resource growth, drilling has also aided in strengthening our geological model and confirming continuity of the gold mineralization. To date, the mineralized system at Val-d'Or East has been expanded into nine gold zones across the properties, with recent exploration results continuing to indicate strong potential for additional discoveries along the Pascalis Gold Trend. The 2018 drilling program has been completed with over 108,000 metres drilled on the Val-d'Or East property in 334 holes.

On February 5, 2019, the Company announced that it begun its winter drilling program at the Val-d'Or East project. The winter exploration program, which will include approximately 24,000 metres of drilling, is focused on expanding the Company's current gold resources, testing new targets and extending the coverage of regional exploration. New drill targets will include 1.5km of unexplored ground between the Beliveau and

Courvan gold zones as well as the Monique and Cadillac Break East areas. In addition to drilling, the winter programs will also include geophysical surveys that will broaden the scope of the Company's regional exploration.

On February 12, 2019, the Company provided new results from the 2018 drill program on the Val-d'Or East Courvan property area. Results from thirty-nine drill holes, totaling 11,819 metres, were received and identified both new discoveries as well as confirmed significant expansion of previous discoveries north and west of the Former Bussiere Mine. The 100%-owned property is located approximately 1.5 kilometres west and adjacent to the New Beliveau deposit. The 2018 drilling program at Courvan has allowed the identification of 12 new gold structures over an area of 2.5 kilometres by 1 kilometres around the old Bussiere Mine, all located within a short distance of the Company's current resources. Highlights include near-surface intersections grading 9.6 g/t Au over 9.0 metres and 3.2 g/t over 10.0 metres in the Creek Zone and three new discoveries grading 8.4 g/t Au over 5.0 metres, 4.0 g/t Au over 7.0 metres, 4.9 g/t Au over 9.0 metre and 5.1 g/t Au over 8.0 metres all north of the historic Bussiere Mine.

On March 26, 2019, the Company provided new results from its ongoing 24,000-metre winter drill program on the Val-d'Or East property area. The drill program is focussed on expansion and exploration drilling in and around the former Beliveau, Bussiere and Monique gold mines. Results from twenty-two follow-up drill holes, totaling 6,285 metres, were received and continue to outline new discoveries as well as expand previous discoveries surrounding the former Bussiere mine in the Courvan area. Drilling continues to indicate strong potential for additional resources north and south of the former Bussiere Mine. Highlights include intercepts of 1.5 g/t Au over 104.3 metres, including 3.9 g/t Au over 30.0 metres; 16.7 g/t Au over 4.0 metres, including 58.7 g/t Au over 1.0 metre; 3.6 g/t Au over 9.3 metres; 10.2 g/t over 1.0 metre; and 33.2 g/t over 1.0 metre.

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

Property/Project	Activities Completed (Year Ended December 31, 2018)	Plans for the Project in 2019	(A) Estimated Cost to Complete	(B) Spent	Total (A+B)
Pascalis [(1)]	Drilling, Ground geophysics, Geochemistry, Mapping, Stripping, Technical studies	Geological compilation, Ground geophysics, Drilling, Technical Studies	$4,441,000	$11,860,800	$16,301,800
Megiscane-Tavernier [(1)]	Ground geophysics, Prospecting, Geochemistry	Compilation and analysis, Geochemistry	$17,000	$355,900	$372,900
Lapaska [(1)]	Ground geophysics	Geological Compilation	$nil	$11,400	$11,400

Casagosic (2)	None	Ground geophysics, Geochemistry	$52,000	$1,200	$53,200
Bell-Vezza (2)	None	None	$nil	$nil	$nil
Sinclair-Bruneau (2)	Prospecting	Prospecting, Geochemistry	$57,000	$7,700	$64,700
Florence (2)	Prospecting	None	$3,000	$45,100	$48,100
Detour Quebec North (3)	None	None	$nil	$1,700	$1,700
Detour Quebec East (3)	None	Ground geophysics	$118,000	$2,600	$120,600
Detour Quebec SOQUEM (JV) (3,4)	Airborne & ground geophysical surveys, Drilling	Prospecting, Geochemistry, Ground geophysicsInte rpretation	$601,000	$1,842,200	$2,443,200
Dubuisson (JV) (5)	None	Program Planning (2019-2020)	$nil	$nil	$nil
Granada Extension (6)	None	Program Planning (2019-2020)	$nil	$500	$500
West Porcupine	None	None	$nil	$42,600	$42,600
West Timmins (JV)	None	Program Planning (2019-2020)	$nil	$nil	$nil
Black Creek	None	None	$1,000	$2,700	$3,700
Tamarack	None	None	$nil	$18,500	$18,500
Victory	None	None	$400	$4,200	$4,600
Millen Mountain	Geological compilation, Soil sampling, Drilling, Prospecting	None	$nil	$388,000	$388,000
Greenfield	None	None	$nil	$9,100	$9,100
Total exploration expenditures			**$5,290,400**	**$14,594,200**	**$19,884,600**

(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 at 25% by SOQUEM;

(5) Included in the Option and/or JV properties; and
(6) Included in the Granada Extension Project.

Table B – Mineral Exploration Properties under Option

Property/Project	Activities Completed (Year Ended December 31, 2018)	Plans for the Project in 2019	(A) Estimated Cost to Complete	(B) Spent	Total (A+B)
Cadillac Break East (1)	Geological Compilation, ground geophysical survey, drilling, Prospecting	Geological compilation, Ground geophysics, Drilling, Geochemistry	$1,474,000	$930,400	$2,404,400
Monique (1)	Drilling, Prospecting, Geochemistry	Drilling, Geological compilation	$757,000	$545,400	$1,302,400
Total exploration expenditures (Table B)			**$2,231,000**	**$1,475,800**	**$3,706,800**
Total exploration expenditures (Tables A and B)			**$7,521,400**	**$16,070,000**	**$23,591,400**

Technical Information

Marco Gagnon, 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". Mr. Gagnon is the Executive Vice President 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, 2018, totaled $28,469,120.

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, 2018. 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, 2018, 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.

(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, 2018, the Company had cash of $17,534,967, to settle current liabilities of $3,769,334. The Company notes that the flow-through share liability which represents $2,755,301 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 $17,534,967 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, 2018, 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, 2018, would have been approximately $602,000 lower/higher. Similarly, as at December 31, 2018, the Company's reported shareholders' equity would have been approximately $602,000 higher/lower as a result of a 20% increase/decrease in marketable securities.

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, 2018 ($)**	**Year Ended December 31, 2017 ($)**
Peterson McVicar LLP ("**Peterson**") [(1)]	76,030	170,549
Marrelli Support Services Inc. ("**Marrelli Support**") [(2)]	77,020	69,038
DSA Corporate Services Inc. ("**DSA**") [(2)]	23,163	16,579
Total	**176,213**	**256,166**

[(1)] 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, 2018, Peterson was owed $1,213 (December 31, 2017 - $24,001) and this amount was included in amounts payable and other liabilities.

[(2)] During the year ended December 31, 2018, the Company paid professional fees of $77,020 (year ended December 31, 2017 - $69,038) 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, 2018, Marrelli Support was owed $11,390 (December 31, 2017 - $11,888) and this amount was included in amounts payable and other liabilities.

During the year ended December 31, 2018, the Company paid professional fees of $23,163 (year ended December 31, 2017 - $16,579) 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, 2018, DSA was owed $1,525 (December 31, 2017 - $1,469) and this amount was included in amounts payable and other liabilities.

The following transactions occurred with related parties for the Offering completed on June 19, 2018:

- David Palmer, CEO and director of the Company, subscribed for 40,000 Hard Units;
- Marco Gagnon, Executive Vice President of the Company, subscribed for 20,000 FT Units; and
- Patrick Langlois, Vice President - Corporate Development, subscribed for 10,000 Hard Units.

(b) At December 31, 2018, Goldcorp owned 15,148,646 common shares of Probe, representing approximately 13.7% of the issued and outstanding common shares of the Company. The remaining 86.3% 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, who owns or controls, directly or indirectly, approximately 13.7% of the issued and outstanding shares at December 31, 2018, 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:

Year Ended December 31, 2018	**Salaries and Benefits (1)(2) ($)**	**Share-based Compensation ($)**	**Total ($)**
David Palmer, CEO, Director	477,170	333,619	810,789
Yves Dessureault, Chief Operating Officer	339,292	232,193	571,485
Patrick Langlois, Vice President, Corporate Development	261,850	165,022	426,872
Marco Gagnon, Executive Vice President	273,277	170,328	443,605
Jamie Sokalsky, Chairman of the Board	100,000	234,434	334,434
Gordon McCreary, Director	36,000	105,828	141,828
Basil Haymann, Director	36,000	105,828	141,828
Dennis Peterson, Corporate Secretary, Director	36,000	105,828	141,828
Carmelo Marrelli, CFO	nil	25,626	25,626
Total	**1,559,589**	**1,478,706**	**3,038,295**

Year Ended December 31, 2017	Salaries and Benefits (1)(2) ($)	Share-based compensation ($)	Total ($)
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
Total	**1,621,250**	**1,187,335**	**2,808,585**

(1) For the year ended December 31, 2018, $816,040 of these costs (year ended December 31, 2017 - $993,500) are included in general and administrative expenses and $743,549 (year ended December 31, 2017 - $627,750) are included in exploration and evaluation expenditures.

(2) 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, 2018, officers and directors were owed $280,463 (December 31, 2017 - $482,772) and this amount was included in amounts payable and other liabilities.

New Standard Adopted During The Year

(i) Financial Instruments

On July 24, 2014, the IASB issued the completed IFRS 9 - Financial Instruments ("IFRS 9") to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its financial statements on January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

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

Classification	IAS 39	IFRS 9
Cash	Loans and receivables (amortized cost)	Amortized cost
Short-term investments	Loans and receivables (amortized cost)	Amortized cost
Trade accounts receivable and other receivables	Loans and receivables (amortized cost)	Amortized cost
Marketable securities	FVTPL	FVTPL
Amounts payable and other liabilities	Other financial liabilities	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Marketable securities are classified as Level 1.

(ii) Leases

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

At January 1, 2018, the Company adopted the following and there was no material impact on the Company's financial statements.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Recent Accounting Pronouncements

On June 7, 2017, the IASB issued IFRIC - 23 Uncertainty Over Income Tax Treatments ("IFRIC 23"). IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. IFRIC 23 is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company intends to adopt IFRIC 23 in its financial statements for the annual period beginning on January 1, 2019. The Company does not expect IFRIC 23 to have a material impact on the financial statements.

Share Capital

As at the date of this MD&A, the Company had a total of 110,653,195 common shares issued and outstanding. An additional 18,034,833 common shares are subject to issuance pursuant to the following: 8,771,050 stock options, 8,328,783 warrants and 935,000 RSUs. Each stock option will be exercisable to acquire one common share at a price of $0.26 to $1.76 per common share with an expiry date of April 27, 2020 to March 19, 2025. Each warrant will be exercisable to acquire one common share at a price of $1.45 per common share with an expiry date of June 19, 2020.

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 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 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 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 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 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 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 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.

Forward-looking statements	Assumptions	Risk factors
Regardless of whether the Company discovers a significant precious or base metal deposit, its working capital of $27,851,178 at December 31, 2018 is anticipated to be adequate for it to continue operations for the twelve-month period ending December 31, 2019	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2019, 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	The actual results of the Company's exploration and	Commodity price volatility; uncertainties involved in

Forward-looking statements	Assumptions	Risk factors
minerals	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 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	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'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	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

Forward-looking statements	Assumptions	Risk factors
	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	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
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) On February 20, 2019, there were 29,250 options with an exercise price of $0.26 that were exercised for cash proceeds of $7,605.

(ii) On February 20, 2019, there were 19,500 options with an exercise price of $0.49 that were exercised for cash proceeds of $9,555.

(iii) On February 20, 2019, there were 19,500 options with an exercise price of $0.75 that were exercised for cash proceeds of $14,625.

Additional Disclosure for Venture Issuers

General and Administrative Expenses

Detail	Year Ended December 31, 2018 ($)	Year Ended December 31, 2017 ($)
Share-based payments	1,753,922	1,511,280
Salaries and benefits	956,904	1,278,128
Travel and promotion costs	332,553	363,011
Professional fees	324,258	259,176
Director fees	208,601	180,388
Administrative costs	189,842	229,710
Shareholder information	147,603	116,522
Depreciation	133,771	83,000
Occupancy costs	122,005	129,607
Total	**4,169,459**	**4,150,822**

Exploration and Evaluation Expenditures

Val-d'Or East Project

Expenditures	Year Ended December 31, 2018 ($)	Year Ended December 31, 2017 ($)
Advanced exploration	318,883	384,970
Drilling	10,135,201	7,218,061
Environment	41,908	44,380
General field expenses	725,407	461,619
Geochemical	229,074	123,226
Geology	478,624	270,092
Geophysics	1,524,660	1,414,254
Metallurgical testwork	194,894	39,327
Option payment and staking claims	63,800	1,468,022
Research and development	nil	36,000
Social and community	10,588	9,737
Total	**13,723,039**	**11,469,688**

Detour Project

Expenditures	Year Ended December 31, 2018 ($)	Year Ended December 31, 2017 ($)
Drilling	1,097,722	9,374
General field expenses	10,990	6,107
Geochemical	4,154	303
Geology	8,402	10,494
Geophysics	258,203	357,762
Option payment and staking claims	13,127	28,959
Operator of exploration project	(34,675)	(18,623)
Total	**1,357,923**	**394,376**

Casa-Cameron Project

Expenditures	**Year Ended December 31, 2018 ($)**	**Year Ended December 31, 2017 ($)**
Drilling	60	nil
General field expenses	858	4,112
Geochemical	2,016	6,805
Geology	33,433	54,400
Geophysics	375	369,872
Option payment and staking claims	17,325	12,167
Research and development	nil	4,000
Total	**54,067**	**451,356**

Black Creek Property

Expenditures	**Year Ended December 31, 2018 ($)**	**Year Ended December 31, 2017 ($)**
Geochemical	nil	813
Geology	6,058	nil
Other	754	754
Total	**6,812**	**1,567**

Tamarack-McFauld's Lake Property

Expenditures	**Year Ended December 31, 2018 ($)**	**Year Ended December 31, 2017 ($)**
Geology	3,796	163
Geophysics	14,749	171,237
Total	**18,545**	**171,400**

West Porcupine Property

Expenditures	**Year Ended December 31, 2018 ($)**	**Year Ended December 31, 2017 ($)**
Drilling	nil	401,407
General field expenses	7,544	40,731
Geochemical	478	nil
Geology	2,020	119,039
Geophysics	9,054	615,490
Option payment and staking claims	nil	8,481
Social and community	23,533	25,679
Sale of West Porcupine Property	nil	(3,238,942)
Total	**42,639**	**(2,028,115)**

Millen Mountain Property

Expenditures	**Year Ended December 31, 2018 ($)**	**Year Ended December 31, 2017 ($)**
Drilling	248,526	nil
General field expenses	107,241	67,134
Geochemical	38	52,213
Geology	15,654	106,605
Geophysics	nil	80,771
Option payment and staking claims	92	18,739
Social and community	10,000	nil
Total	**381,551**	**325,462**

Project Generation

Expenditures	**Year Ended December 31, 2018 ($)**	**Year Ended December 31, 2017 ($)**
Consulting	12,025	3,575
Legal fees	nil	326
Other	3,188	50,506
Travel, accommodation	12,447	56,485
Total	**27,660**	**110,892**