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American Lithium Corp.

Management's Discussion and Analysis

For the three months ended May 31, 2017 and 2016

(Expressed in Canadian Dollars)

THE ATTACHED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

Introduction

American Lithium Corp. (formerly Menika Mining Ltd.) (the “Company" or “American Lithium”) was incorporated in British Columbia under the *Business Corporations Act* (British Columbia) and is engaged in the acquisition, exploration and development of resource properties. The Company’s common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the “Exchange”) under the symbol “LI”, the Frankfurt Stock Exchange under the symbol “5LA”, and the OTCQB under the symbol “LiACF”.

This management’s discussion and analysis (“MD&A”) reports on the operating results and financial condition of the Company for the three months ended May 31, 2017, and is prepared as of July 24, 2017. The MD&A should be read in conjunction with the Company’s interim condensed consolidated financial statements for the three months ended May 31, 2017, and the notes thereto which were prepared in accordance with International Financial Reporting Standards (“IFRS”); and they should be read in conjunction with our IFRS financial statements for the fiscal year ended February 28, 2017

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

This document may contain “forward-looking information” within the meaning of Canadian securities legislation (“forward-looking statements”). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management’s expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its planned exploration activities, the adequacy of its financial resources and statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including “may”, “future”, “expected”, “intends” and “estimates”. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company’s interim and annual condensed consolidated financial statements and management’s discussion and analysis of those statements, all of which are filed and available for review under the Company’s profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of Business

American Lithium Corp. is an exploration stage company engaged in the acquisition, exploration and development of resource properties.

Discussion of Operations and Overall Performance

In a prior period, the Company began the process to reactivate its operations and to become focussed on the acquisition, exploration and development of US – based properties prospective for lithium deposits. These earlier efforts included a re-branding of the corporation, and financing efforts to facilitate the new focus. To that end, during the first nine months of the current fiscal year, American Lithium has concluded transactions to acquire interests in six (6) Nevada properties: Fish Lake Valley, Atlantis, Fish South, Colorado, San Emidio, and Clayton Valley BFF.

Four of the Company's property interests are located within the Fish Lake Valley, Esmeralda county, Nevada. The geological setting at Fish Lake Valley is highly analogous to the salars of Clayton Valley, where Albemarle has its Silver Peak lithium-brine operation. Silver Peak houses the only domestic production of lithium in the United States. The United States Geological Survey estimates that over 300 million pounds of lithium carbonate have been produced at this facility since production commenced in 1966.

Over the past six years, previous operators have been investigating the North Bowl playa, Fish Lake Valley lithium brine property. A National Instrument 43-101 report titled 'Technical Report, Fish Lake Valley Lithium-Brine Property, Esmeralda County, Nevada,' was completed on the property in November 2015.

During the year ended February 28, 2017, American Lithium completed Phase 2 exploration to test potential brine targets and areas of interest identified from the 2010 to 2011 Phase 1 exploration. Phase 2 included surface brine sampling, gravity geophysics and 3,545 feet (1,080 meters) of combined shallow auger and sonic drilling testing depths up to 500 feet (156 meters) in two locations on the South Playa. The sonic holes did not encounter any brines. The Company also completed additional high-density gravity surveys to better define the subsurface structures.

The Company completed six initial shallow (two-meter) auger drill holes as part of its phase 2 exploratory drilling program on the North Bowl playa. The auger drill holes targeted infill drilling in areas of interest from the 2010 to 2011 phase 1 exploration, as well as extensions of those areas.

The near-surface auger program was the first of three drill stages planned during the 2016 Fish Lake Valley exploration program, and will be followed by a sonic drilling program to a total depth of up to 1500 feet. A total of 13 drill locations have been permitted for the sonic drilling. Together, the overall drill program will give a comprehensive understanding of the lithium content of playa soils and brines, along with other potentially economically important minerals, as well as porosity and permeability of lithium-bearing brine aquafers within the North Bowl and South Bowl playas of the Fish Lake Valley lithium brine project.

In August 2016, American Lithium announced the first assay results from the North Bowl playa six initial auger drill holes. In October 2016, the Company announced further results from continuing near-surface auger sampling on the North playa, Fish Lake Valley. A total of 25 samples were reported. Near surface brine samples for the first 25 samples were collected by using a conventional hand held auger to sample sub surface brines at a depth of 78" (2m), The brine was sampled at the bottom of the auger hole and then separated from residual clays before being sent for analysis. For the subsequent near surface brine sampling program the Company developed a new methodology for sampling. Instead of an auger system, a four-inch diameter pipe is driven into the ground to a depth of approximately 55" (1.4m) and then pulled out of the hole. A 2.5" (6.3cm) perforated pvc pipe is placed in the hole to keep it open while clay solids settle to the bottom of the hole. The brine is then sampled just above the settled material at the bottom of the hole. The change in sampling method was driven by the difficulty of operating an auger in wet playa clays. Both processes return a similar near surface brine sample. After changing sampling methodologies an additional 189 assays were reported.

American Lithium Corp.'s quality assurance/quality control process found material flaws in laboratory runs containing 54 sample assay results announced Aug. 11, 2016; Oct. 12, 2016; Oct. 21, 2016; and Nov. 3, 2016. American Lithium retained Florin Analytical Services of Reno, Nev., to conduct multielement assays, including lithium, on samples from its Fish Lake Valley projects. The assays were completed by inductively coupled plasma-atomic emission spectrometer (ICP-AES) except for lithium. On the basis of discussions with Florin, lithium was assayed by atomic absorption spectrophotometer (AAS) as the assayer at Florin felt the AAS method would produce a slightly more accurate result for lithium.

Sampling on the Fish Lake North Playa exploration target crossed over a historical sample line that had been reported by other publicly listed exploration companies. The lithium values from these assays were significantly higher than the historical brine results from Fish Lake Valley, thus triggering a rigorous QC review. The Company's qualified person observed that the new samples were reporting significantly higher values than the historical samples and requested a small number (n equals six) of these samples be sent to a second laboratory for analysis to confirm or refute the new assay values. These check assays were materially lower than the original Florin assay values, which triggered a second request by the QP for additional check assays on the entire sample set that the six samples were derived from to gather a more statistically meaningful set of check assays. The company engaged ALS Minerals to have the assay samples prepped at ALS facilities in Reno, Nev., and the check assays performed at ALS laboratories in North Vancouver, B.C., using ICP-AES. The ICP-AES method was chosen because of concerns that the AAS method may be biased by the high salt concentration in brine samples. Florin had been simultaneously assaying for lithium by ICP-AES on all samples that the company had submitted and that these assay values, although not sighted by the Company or the QP, are materially lower than the reported AAS assays. Results provided by ALS on the six check assays were also found to be materially lower than the assays reported by Florin. As a result of this review all previous and pending samples were sent to ALS for analysis. The results of this analysis were published in 2 news releases dated April 17, 2017.

A total of 214 samples were collected in the 2016 North Playa Shallow Brine program with Li values ranging from trace to 300 mg/L. The highest grouping of assay values, 55 samples from the center of the North Playa, contains concentrations averaging 160 mg/L and a range of 100 ml/L to 300 mg/L. The samples are plotted in Figure 1 below.

3 sonic drill holes were completed in the North Playa with Hydrosleeve samples retrieved on 50’ intervals the most significant results are presented in table 1 below. Hydrosleeve samples were gathered by dropping a closed plastic sleeve down through the collar of the Sonic drill barrel into the open hole below. When the sleeve reached the target depth, it was pulled back up. The upward motion opened the check valve at the mouth of the sleeve which filled with liquid from that depth of the hole. Once it is filled the check valve closes and seals the sample. On surface the sample was poured out into a container to decant some of the suspended solids and then placed in a sample bottle to be sent to the assay laboratory.

Sonic borings were continually logged at the drill rig by the site geologist to classify sediments and identify stratigraphy. Down hole sediment samples were taken as splits from soft sediments retrieved in the sonic drilling process a representative portion was saved from reference.

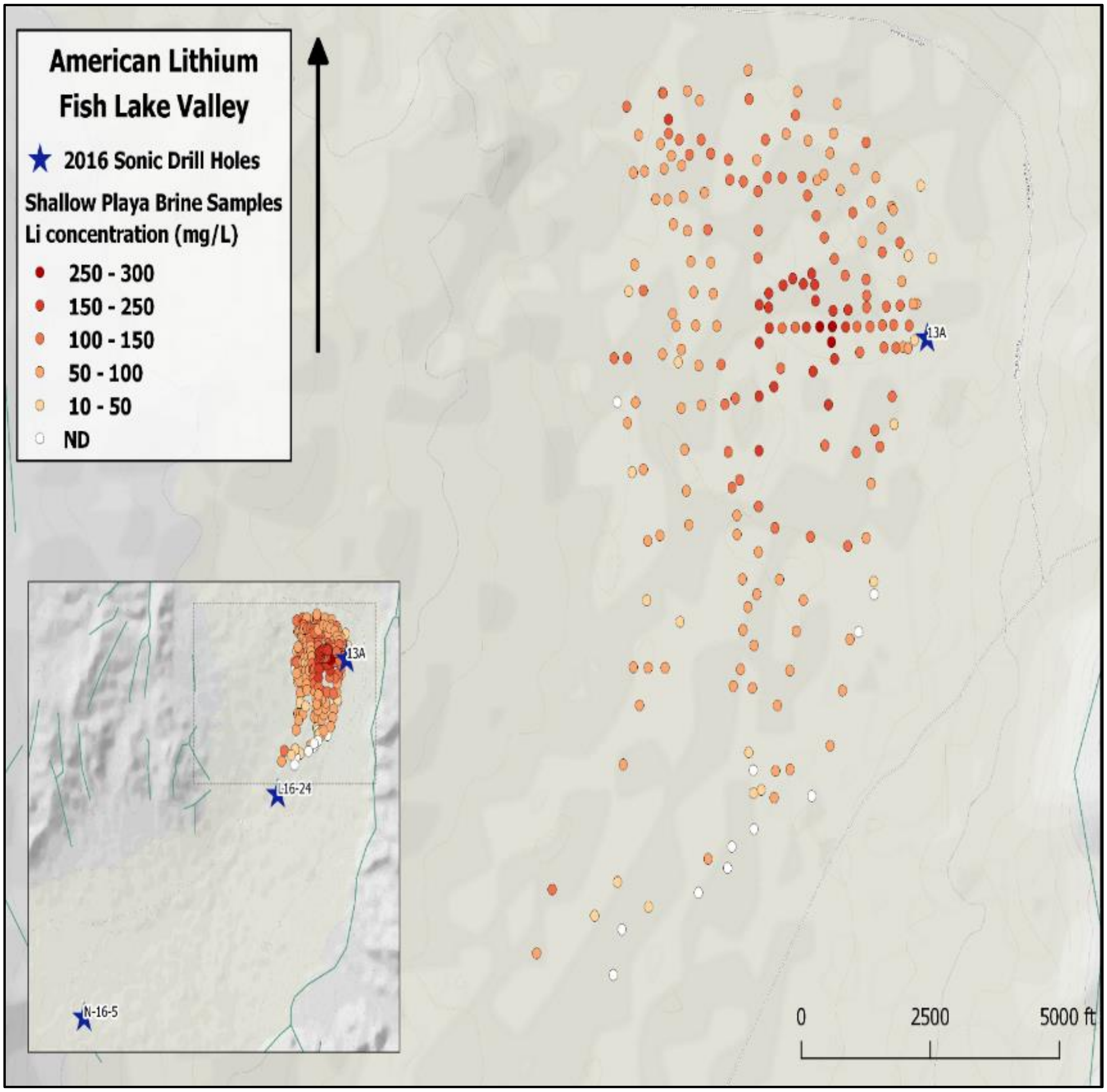

Figure 1 Brine sample location and grade range, drill hole locations as stars

Sediment samples collected from the 2016 sonic drilling intersected high near-collar concentrations; BH13B showing an average grade of water soluble Lithium of 276 ppm Li over the upper 10' (including 5' of 452 ppm Li from 0-5' and 5' of 101.5 ppm Li from 5-10'), and L16-24 averaging 101 ppm Li, (including 5' of 153.5 ppm Li from 0-5' and 5' of 48.9 ppm Li from 5-10'). Additional investigation of sediments is planned for future exploration programs.

Early conceptual modeling (Garrett, DE) and investigation by Oldow suggest deep brine aquifers are structurally controlled and conductivity to the shallow aquifer is facilitated by structural conduits. Discrete Hydrosleeve samples were collected at regular intervals from 37 feet to completed depth of the 2016 sonic boreholes. Samples were re-assayed following the inconsistent laboratory observed from the Shallow Sampling Program. Results indicate that the aquifers intersected in these locations are not directly linked to the structures responsible for lithium transport to the near surface aquifer. However, the increase in sodium near the cutoff depth of hole 13 is a strong vector for deeper brine enrichment and requires a deeper drilling program to test this theory.

Table 1 Down hole Hydrosleeve samples

Hole	Sample number	Depth (ft)	Li (mg/L)	Na (mg/L)	Hole	Sample number	Depth (ft)	Li (mg/L)	Na (mg/L)
N-16-5	1430901	37	<10	200	13A	1430918	413	10	900
N-16-5	1430902	123	<10	100	13A	1430919	457	10	900
N-16-5	1430903	161	<10	100	13A	1430920	457	10	900
N-16-5	1430904	195	<10	100	13A	1430922	497	10	4500
N-16-5	1430905	245	10	100	24	1430927	43	<10	800
N-16-5	1430906	297	<10	100	24	1430929	87	<10	600
N-16-5	1430907	338	10	100	24	1430931	127	<10	200
N-16-5	1430908	368	<10	100	24	1430933	177	<10	300
13A	1430909	37	10	1100	24	1430935	237	<10	300
13A	1430910	83	10	1300	24	1430937	277	<10	200
13A	1430911	127	10	1100	24	1430939	318	<10	200
13A	1430913	213	10	1100	24	1430940	318	<10	200
13A	1430914	257	10	1000	24	1430941	358	<10	200
13A	1430915	297	10	900	24	1430943	408	<10	200
13A	1430916	337	10	900	24	1430945	448	<10	200
13A	1430917	377	10	900	24	1430947	498	<10	200

Future drilling and sampling are planned to test the conceptual model, enhance understanding of the controls to Fish Lake Valley's brine hosted lithium, as well as a more comprehensive investigation of lithium bearing sediments and their economic potential.

During the quarter ended May 31, 2017, the Company integrated the surface drill results with the ALC-Gravity Modeling Report prepared by J.S. Oldow. Based on the integration, the Company decided to renew all of its Fish Lake Valley acreage agreements. The Company, based on new data, has investigated properties proximal to its acreage for possible acquisitions. Future drilling is now scheduled for the end of the summer based on rig availability and site access requirements.

Outlook

According to Dundee Capital Partners December 9, 2016 comments, lithium carbonate ("LCE") and lithium hydroxide ("LiOH") are both in supply deficit – thus creating a rising commodity price environment. With steadily increasing demand from battery manufacturers, on-streaming of lithium production cannot catch-up to demand requirements. The commodity environment is expected to reflect a 14.4% growth in annual demand for at least two-years, before a balancing of supply and demand starts to happen over the following three-years.

On February 2, 2017, Benchmark Mineral Intelligence forecasted long term average pricing for LCE rising to between US$12,000 -14,000; and LiOH rising to between US$20,000 – 22,000 for the 2017 – 2020 contract period.

American Lithium believes that the domestic market for lithium products will be under supplied for many years to come. This situation positions the Company well should its exploration efforts be successful in identifying a commercially viable lithium deposit.

Property Overview

As at July 24, 2017, the Company has interests in the following resource properties:

Fish Lake Valley Project - Nevada, USA

The "Fish Lake Valley Project" consists of a series of 98 placer claims comprising a total of 7,840 acres in Esmerelda County, Nevada, USA. Under an earn-in option agreement, the Company has the right to acquire a 100% undivided interest in the Fish Lake Valley Project by fulfilling the commitments outlined below:

i. Initial Earn-in option: the Company may acquire the initial 80% undivided interest in the Fish Lake Valley Project should the following conditions be met:

	Common Shares	Cash	Exploration Expenditures
	#	US $	US $
Upon closing (issued and paid)	200,000	130,000	-
On or before the first anniversary of the closing (complete)	100,000	100,000	200,000
On or before the second anniversary of the closing	100,000	100,000	300,000
On or before the third anniversary of the closing	-	-	600,000
Total	400,000	330,000	1,100,000

ii. Subsequent Earn-in option: The Company may acquire an additional 20% of the Fish Lake Valley Project by paying to the Optionor an aggregate amount of US $1,000,000 on or before the date that is 12 months after the exercise of the initial Earn-in Option.

The Optionor retains a 2.5% net smelter royalty (NSR), one half of which can be purchased for $1,000,000 cash.

Atlantis Property - Nevada, USA

The Atlantis property consists of a series of 69 placer claims and 19 association placer claims, comprising a total of 2,882 acres, located in Esmeralda County, Nevada, USA. Under an earn-in option agreement, the Company has the right to acquire a 100% undivided interest in the Atlantis Property by fulfilling the commitments outlined below:

	Common Shares	Cash	Exploration Expenditures
	#	$	US $
Upon closing date (paid) – in US$	-	48,050	-
On or before April 28, 2016 (paid) – in CAD$	-	$100,000	-
Within 60 days of closing of acquisition (issued)	250,000	-	-
On or before the first anniversary of the closing	-	-	100,000
On or before the second anniversary of the closing	500,000	-	250,000
On or before the third anniversary of the closing	500,000	-	650,000
Total	1,250,000		1,000,000

Fish South Property - Nevada, USA

On June 1, 2016, the Company finalized an option agreement with TY & Sons Explorations (Nevada) Ltd. (“the Optionor”), who has the right to acquire a 100% interest in a series of mineral claims located in Esmeralda County, Nevada, USA (“the Fish South Property”). Under an earn-in option agreement, the Company has the right to acquire a 80% undivided interest in the Fish South property by fulfilling the commitments outlined below:

	Common Shares	Warrants	Cash
	#	#	US$
Within 60 days of closing to the Property owner (paid)	-	-	78,800
Upon closing to the Optionor (issued and paid)	700,000	300,000	100,000
Within 4 months after closing to the Property Owner (issued)	300,000	-	-
On or before the first anniversary of the closing to the Optionor (issued)	500,000	-	-
On or before the second anniversary of the closing to the Optionor	500,000	-	-
Total	2,000,000	300,000	178,800

Colorado Property - Nevada, USA

On June 7, 2016, the Company finalized an agreement to acquire all the outstanding share capital of 1067323 B.C. Ltd. (“1067323”), a privately-held British Columbia based mineral exploration company with a common Director. In consideration, the Company issued 6,000,000 common shares to acquire all of the outstanding share capital of 1067323 B.C. Ltd.

1067323 B.C. Ltd. is a party to an Earn-in Option agreement with Colorado Exploration Inc. (“the Optionor”) ”) to acquire a series of 193 placer and 44 lode claims, over 4,870 acres (1971 hectares) in Fish Lake Valley, Nevada, USA (the “Colorado Property”). Under an earn-in option agreement, the Company has the right to acquire a 100% interest in the Colorado property, subject to a one percent (1.0%) net smelter returns royalty, by fulfilling the commitments outlined below:

	Common Shares	Cash
	#	$
Upon closing date (issued and paid)	400,000	200,000
Total	400,000	200,000

San Emidio Property - Nevada, USA

Pursuant to the Earn-in Option agreement between the Lithium Corp. (“the Optionor”) and 1067323 B.C. Ltd.(“the Optionee”), the Company holds the rights to acquire the San Emidio property (“San Emidio Property”), representing a series of twenty-eight (28) placer claims, over 2,240 acres (907 hectares) in Nevada, USA.

Initial Earn-in option: the Company may acquire an initial 80% undivided interest in the San Emidio property if the following conditions are met:

	Common Shares	Cash	Exploration Expenditures
	#	US $	US $
Within 30 days following the effective date (issued and paid)	100,000	100,000	-
On or before the first anniversary of the closing (issued)	100,000	-	-
On or before the second anniversary of the closing	100,000	-	200,000
On or before the third anniversary of the closing	-	-	300,000
Total	300,000	100,000	500,000

Subsequent Earn-in option: The Company may acquire an additional 20% of the San Emidio property by paying to the Optionor, subject to a two-and-one-half (2.5%) percent net smelter returns royalty, 50% of which maybe repurchased at US$1,000,000, an aggregate amount of US $1,000,000 on or before the date that is 36 months after the exercise of the initial Earn-in Option.

Clayton Valley BFF Property - Nevada, USA

On July 5, 2016, the Company entered into an agreement to acquire all of the outstanding share capital of 1074654 B.C. Ltd. (“1074654”), a privately held British Columbia mineral exploration company that holds a right to acquire a 70% interest in a series of 77 placer claims comprising 1,540 acres, located in Esmeralda County, Nevada and known as “Clayton Valley BFF”. The Company received TSX approval and closed the transaction on July 12, 2016. In consideration of all the outstanding share capital of 1074654, the Company assumed 1074654’s obligations in respect of Clayton Valley BFF.

Under an earn-in option agreement, the Company has the right to acquire a 70% undivided interest in the Clayton Valley BFF Property by fulfilling the commitments outlined below:

	Common Shares	Cash	Exploration Expenditures
	#	US $	US $
Upon closing (issued and paid)	400,000	75,000	-
On or before the first anniversary of the closing[(1)]	400,000	100,000	100,000
On or before the second anniversary of the closing	400,000	100,000	300,000
On or before the third anniversary of the closing	-	-	600,000
Total	1,200,000	275,000	$1,000,000

[(1)]Subsequent to the end of the period, the Company terminated the option agreement

Reliance Property and the Ava Property

The Company held a 100% interest in 977.749 hectares known as the Reliance group of claims in the Lillooet Mining Division, British Columbia.

The Company held a 100% interest in 1,320.539 hectares known as the AVA Property, located at the west end of Kamloops Lake, British Columbia.

On February 6, 2017, the Company disposed of the Reliance and Ava properties for proceeds of $1 and was released from its obligations as part of a Sale Agreement. Since the properties were written down to $1 in the prior year, no gain or loss was recorded.

Selected Annual Information

	Years ended February		
	2017	2016	2015
Revenue	**$ Nil**	$ Nil	$ Nil
Comprehensive loss for the year	**$ (5,024,966)**	$ (137,938)	$ (32,640)
Comprehensive loss per common share	**$ (0.13)**	$ (0.01)	$ (0.00)
Weighted average number of common shares	**39,751,101**	11,340,332	11,009,948
Financial position data			
Working capital (deficit) as at end of February	**$ 853,784**	$ 143,044	$ (24,148)
Total assets as at end of February	**$ 18,956,169**	$ 165,092	$ 13,130

Results of Operations

At May 31, 2017, total assets were $18,683,195 compared to $18,956,169 as at the February 28, 2017 year-end. This decrease in assets is the result of the reduction in current assets deployed in the quarter for exploration and overheads.

The Company has no operating revenues.

Three months ended May 31, 2017

During the period ended May 31, 2017, the Company’s operations were streamlined to focus more on exploration and evaluation, and less on corporate activities and acquisitions as they were in the comparative period. The Company incurred operating expenses totaling $306,703 [2016: $1,960,100], which includes increased consulting and management fees of $156,724 [2016: $107,800] and exploration and evaluation expenses of $47,151 compared with $nil in 2016. Corporate expenses including general and administrative fees of $3,936 [2016: $23,373], filing fees of $5,451 [2016: $94,400], investor relations of $1,000 [2016: $33,214], marketing and promotion of $24,828 [2016: $610,333] rent expense of $9,229 [2016: $24,900] and travel expenses of $12,018 [2016: $50,461] – were significantly reduced reflecting management's efforts to prioritize expenditures to developing the Company's assets. The non-cash charge of $nil [2016: $982,676] for share-based payments reflects that a grant of stock options occurred in the comparative period. Professional fees did increase to $37,099 [2016: $25,409] reflecting the increased legal and auditing expenses related to the Company's more complex structure.

The Company will use its available resources to pursue its operations in Nevada, and on the pursuit of other opportunities in the United States.

Fiscal year ended February 28, 2017
During the year ended February 28, 2017, the Company's operations were expanded in every category in conjunction with an increased focus on assembly of properties in Nevada, and the commencement of exploration activities. The Company's operating expenses of $5,024,966 [2016: $137,938] were significantly higher reflecting the ramp-up of operations. Expenses included the non-cash charge of $1,477,787 [2016: $93,705] for share-based compensation associated with the issuance of stock options during the period. The bulk of expenses in the period were related to exploration and evaluation, marketing and promotion, corporate administration represented across all expense categories. Additionally, insurance expense of $45,220 [2016: $nil] was incurred for the first time.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds and therefore has been incurring losses since inception. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements and the exercise of stock options. When acquiring interests in resource properties through purchase or option, the Company issues common shares or a combination of cash and shares to the vendors of the property as consideration for the property in order to conserve its cash. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the exploration of its existing properties and the acquisition of potential resource properties.

At May 31, 2017, the Company had cash and cash equivalents of $546,317 compared to cash of $856,401 as at the February 28, 2017 year-end. Working capital was $457,509 compared with $853,784 at the February 28, 2017 year-end. The Company has no long-term debt. The Company's current assets have decreased in the current period due to operating expenses being incurred and no financings being undertaken.

During the year ended February 28, 2017:
In April 2016, the Company completed a non-brokered private placement of 6,000,000 units at a price of $0.25 per unit for gross proceeds of $1,500,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of $0.50 per share until April 6, 2020.

On May 4, 2016, the Company completed a non-brokered private placement of 3,333,333 units at a price of $0.60 per unit for gross proceeds of $2,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable to acquire an additional common share at an exercise price of $1.00 per share until May 4, 2019. In connection with this private placement, the Company issued 66,667 share purchase warrants as finder's fees at a price of $1.00 per share until three years after the issue date with a fair value of $51,869.

On February 28, 2017, the Company completed a non-brokered private placement of 10,000,000 units at a price of $0.125 per unit for gross proceeds of $1,250,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one additional common share at an exercise price of $0.25 per share until February 28, 2020. In connection with this private placement, the Company issued 206,160 units as finder's fees, with a fair value of $26,877.

The Company paid $211,156 in share issue costs related to the private placements.

During the year ended February 28, 2017, 7,042,500 common shares were issued upon the exercise of warrants at a purchase price of $0.07 per common share for gross proceeds of $492,975; and 25,000 common shares were issued upon the exercise of warrants at a purchase price of $0.50 per common share for gross proceeds of $12,500. Upon the exercise of stock options, 525,000 common shares were issued at $0.10 per share.

.Summary of Quarterly Results

Selected Financial Data [Quarterly - unaudited]

		Quarter Ended							
		5/31/2017	**2/28/2017**	**11/30/2016**	**8/31/2016**	**5/31/2016**	**2/29/2016**	**11/30/2015**	**8/31/2015**
Operating Revenue	$	-	-	-	-	-	-	-	-
Comprehensive loss	$	(306,703)	(736,283)	(1,053,184)	(1,275,399)	(1,960,100)	(90,840)	(32,891)	(7,260)
Loss per share	$	(0.01)	(0.02)	(0.02)	(0.03)	(0.10)	(0.00)	(0.00)	(0.00)
Share capital	$	27,324,718	27,297,218	22,990,636	22,699,706	14,659,142	5,518,697	5,329,793	5,277,793
Common shares issued		58,152,775	57,952,775	46,906,615	42,975,615	34,606,615	13,937,448	11,659,948	11,009,948
Weighted average shares outstanding		58,046,253	47,605,504	44,832,153	41,937,854	18,786,184	13,937,448	11,544,392	11,009,948
Total Assets	$	18,683,195	18,956,169	15,315,478	15,881,101	8,454,075	165,092	17,411	14,182
Net Assets (Liabilities)	$	18,518,358	18,753,811	14,965,218	15,716,951	8,337,485	153,045	2,124	(30,849)
Cash Dividends Declared per Common Shares	$	0	0	0	0	0	0	0	0

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's business and the present stage of exploration of its resource properties (which are primarily early stage exploration properties with no known resources or reserves that have not been explored by modern methods), the following risk factors, among others, will apply:

Mining Industry is Intensely Competitive: The Company's business will be the acquisition, exploration and development of resource properties. The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any mineral deposit will be such that any of its resource properties could be mined at a profit.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Consolidated financial statements have been prepared assuming the Company will continue on a going concern basis: The Company's consolidated financial statements have been prepared on the basis that it will continue as a going concern. The Company incurred a comprehensive loss of $306,703 (2016: $1,960,100) for the three months ended May 31, 2017. As at May 31, 2017, the Company had an accumulated deficit of $11,080,685 (February 28, 2017 year-end: $10,773,982), which has been funded primarily by the issuance of equity. The Company's ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern.

Uninsured or Uninsurable Risks: The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Matters: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties will be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. 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 delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain in good standing its various option agreements could result in the loss of its rights to such properties.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce minerals from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

Potential conflicts of interest: Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest, to the extent that such other companies may participate in ventures in which the Company is also participating. The laws of British Columbia require the directors and officers to act honestly, in good faith, and in the best interests of the Company. In addition, each director must declare his or her interest and abstain from voting on any contract or transaction in which the director may have a conflict of interest.

Price Fluctuations and Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Title: Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Exploration and development activities are inherently risky: The business of exploration and extraction involves a high degree of risk. Few properties that are explored are ultimately developed into production. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. These factors can all affect the timing, cost and success of exploration programs and any future development. Although the Company carries liability insurance with respect to its exploration operations, the Company may become subject to liability for damage to life and property, environmental damage, cave-ins or hazards against which it cannot insure or against which it may elect not to insure.

Previous operations may have caused environmental damage at certain of the Company's properties. It may be difficult or impossible to assess the extent to which such damage was caused by the Company or by the activities of previous operators, in which case, any indemnities and exemptions from liability may be ineffective, and the Company may be responsible for the costs of reclamation.

If any of the Company's properties move to a development stage, the Company would be subject to additional risks respecting any development and production activities.

Related Party Transactions

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers.

Key Management Personnel	Three months ended May 31, **2017**	2016
	$	$
Salaries and short term benefits[(i)]	**102,912**	10,000
Share-based payments	**-**	-
	102,912	10,000

[(i)]Salaries and short term benefits include $102,912 (2016: 10,000) in Management and Consulting fees; recorded on the Statement of Loss and Comprehensive Loss.

During the period ended May 31, 2017, the Company entered into the following transactions with key management personnel:

Related party	**Nature of transaction**
Michael Kobler ("Kobler")	Consulting fees for the services provided by Michael Kobler the Executive Chair and Chief Executive Officer
Pacific Equity Management Corp. ("PEM")	Management fees for services provided by former CEO and VP Corporate Development and current CFO and VP Finance.

(a) Paid $45,000 (2016: $nil) to PEM pursuant to a Management Services Agreement entered into as of August 10, 2016 and amended on February 8, 2017 (see Note 11). PEM is a company controlled by two former directors and officers, and it provides daily management services to the Company. The payments are disclosed in key management personnel compensation within salaries and short term benefits.

(b) Paid or accrued $57,912 (2016: $10,000) to Kobler and to a company controlled by Kobler for consulting services. The payments are disclosed in key management personnel compensation within salaries and short term benefits.

(c) Due to related parties, as at May 31, 2017 is as follows:

Related party	**Amount**
Kobler	$ 23,380
Marc Bruner ("Bruner") Former independent director and consultant	50,000
	$ 73,380

Critical Accounting Estimates

In the application of the Company's accounting policies, which are described in note 3 to the consolidated financial statements for the period ended May 31, 2017, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant estimates and judgments applying to the Company's financial statements include:

- the determination of the element of costs recorded as exploration and evaluation assets and determination of reclamation obligations;
- the determination that the Company has no decommissioning liabilities as at May 31, 2017;
- recognition of deferred tax assets and liabilities;
- the determination that the Company will continue as a going concern for the next year; and

- assumptions used in valuing options and warrants in share-based compensation calculation

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Change in accounting policy

Accounting Standards Issued but not yet Effective:

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018.
- IFRS 16: Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

Financial Instruments and Risk Management

Fair value of financial instruments

The Company's consolidated financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and due to related parties. As at May 31, 2017, the Company classifies its cash and cash equivalents and accounts receivable as fair value through profit and loss, and its accounts payable and due to related parties as other financial liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. Accounts payable are classified under Level 3.

Financial instrument risk

The Company's financial instruments are exposed to the following risks:

The Company is exposed in varying degrees to a variety of financial instrument related to risks. The Board approves and monitors the risk management processes:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash.
The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at May 31, 2017 relating to cash of $546,317. All cash is held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet accounts payable requirements. The Company maintained sufficient cash balances to meet its needs at May 31, 2017.

Foreign Exchange Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and commitments that are denominated in a foreign currency. As at May 31, 2017, a 10% fluctuation in the foreign exchange rate of the United States dollar against the Canadian dollar would affect the Company's loss for the year by approximately $725 and the commitments on the exploration and evaluation assets would increase by approximately $163,000.

Interest Rate Risk

The Company has cash balances and only fixed interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of palladium, nickel, and gold. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

During the periods ended May 31, 2017 and 2016, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support the acquisition, exploration and development of exploration and evaluation assets such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities, loans, advances from related parties and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's management of capital during the period ended May 31, 2017.

Proposed Transactions

The Company is continuously evaluating new opportunities that could include a joint venture, a disposal of the project or a sale of the Company. While various negotiations may be ongoing at any given time, these may or may not be successful. The Company considers opportunities where there is expected to be significant value to the shareholders. At this date, the Board of Directors have not approved any transaction, nor presented any potential transaction to the shareholders.

Outstanding Share Data

As at July 24, 2017:

a) Authorized: unlimited common shares without par value.

b) Issued and outstanding: 58,652,775 common shares.

c) Outstanding stock options:

Number of options	Exercise price	Expiry date
555,000	$ 0.10	September 14, 2020
75,000	$ 1.70	May 2, 2021
750,000	$ 1.13	May 5, 2021
250,000	$ 1.57	June 13, 2018
500,000	$ 0.175	February 13, 2020
2,130,000		

d) Outstanding warrants:

Number of warrants	Exercise price	Expiry date
680,000	$ 0.07	December 20, 2018
650,000	$ 0.10	September 17, 2020
2,975,000	$ 0.50	April 6, 2020
1,708,334	$ 1.00	May 4, 2019
300,000	$ 1.10	June 1, 2019
10,206,160	$ 0.25	February 28, 2020
16,519,494		

Subsequent Events

a) On June 7, 2017, the Company issued 500,000 common shares in accordance to the option agreement for Fish South Property as described in Note 4. The 500,000 common shares were recorded with a fair value of $47,500.

b) On June 19, 2017, Mr. Marc Bruner resigned as a director and he ceased to be a related party.

c) The Company terminated the option agreement on the Clayton Valley BFF property. An impairment of the Clayton Valley BFF property will be recorded in the next period.

Additional Information

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.