MURCHISON MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Murchison Minerals Ltd.

We have audited the accompanying consolidated financial statements of Murchison Minerals Ltd. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, consolidated statements of equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Murchison Minerals Ltd. and its subsidiaries as at December 31, 2016 and 2015, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

TORONTO, Canada
March 8, 2017

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	December 31, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash	$ 2,147,235	$ 124,168
Amounts receivable and prepaid expenses (Note 6)	56,539	59,326
Assets held for sale (Notes 8 and 18)	180,000	-
Total current assets	2,383,774	183,494
Investment (Note 7)	7,320	-
Property and equipment (Note 8)	-	896
Assets held for sale (Note 8)	-	296,479
Total assets	**$ 2,391,094**	**$ 480,869**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 14)	$ 66,577	$ 138,666
Flow-through share liability (Notes 10 and 15)	407,000	-
Total liabilities	473,577	138,666
EQUITY		
Share capital (Note 10)	26,587,242	25,416,637
Reserves (Notes 11 and 12)	1,437,644	684,926
Deficit	(26,107,369)	(25,759,360)
Total equity	1,917,517	342,203
Total equity and liabilities	**$ 2,391,094**	**$ 480,869**

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Note 15)
Subsequent Events (Note 18)

Approved on Behalf of the Board:

"signed"
Kent Pearson
Director

"signed"
Denis Arsenault
Director

The accompanying notes are an integral part of these consolidated financial statements

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	2016	2015
EXPENSES		
Exploration expenses - Canada	$ 107,764	$ 192,240
General exploration (recovery)	12,848	$ (68,841)
Professional fees	37,523	54,638
Management fees and salaries	137,809	136,925
Office and general	35,079	71,146
Regulatory and transfer agent	21,946	24,371
Investor relations	35,003	31,397
Share-based payments (Note 12)	266,430	-
Amortization	-	1,995
Loss before the under noted	**654,402**	**443,871**
Interest income	(6,070)	(364)
Foreign exchange (gain) loss	(16,201)	6,048
Flow-through shares related income	(37,560)	(58,846)
Unrealized gain on marketable securities (Note 7)	(5,310)	-
Write-off of exploration and evaluation properties (Note 9)	-	484,188
Impairment loss – assets held for sale (Note 8)	113,536	-
Gain on disposal of property and equipment (Note 8)	(57,730)	-
Loss for the year	**$ 645,067**	**$ 874,897**
Loss per share - basic and diluted	**$ 0.03**	**$ 0.06**
Weighted average number of common shares outstanding - basic and diluted (Note 1)	19,279,529	15,553,695

The accompanying notes are an integral part of these consolidated financial statements

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF EQUITY
(Expressed in Canadian Dollars)

		Reserves			
	Share Capital	Equity settled share-based payments reserve	Warrants reserve	Deficit	Total
Balance, December 31, 2014	**$ 25,403,089**	**$ 455,500**	**$ 1,910,330**	**$ (26,565,367)**	**$ 1,203,552**
Flow-through shares issued	13,548	-	-	-	13,548
Expiry of stock options	-	(174)	-	174	-
Expiry of warrants	-	-	(1,680,730)	1,680,730	-
Net loss for the year	-	-	-	(874,897)	(874,897)
Balance, December 31, 2015	**$ 25,416,637**	**$ 455,326**	**$ 229,600**	**$ (25,759,360)**	**$ 342,203**
Balance, December 31, 2015	**$ 25,416,637**	**$ 455,326**	**$ 229,600**	$ **(25,759,360)**	**$ 342,203**
Net loss for the year	-	-	-	(645,067)	(645,067)
Expiry of stock options	-	(67,458)	-	67,458	-
Expiry of warrants	-	-	(229,600)	229,600	-
Share-based payments	-	266,430	-	-	266,430
Issuance of warrants and finder's warrants (net of issue costs)	-	-	783,346	-	783,346
Issuance of common shares (net of issue costs)	1,170,605	-	-	-	1,170,605
Balance, December 31, 2016	**$ 26,587,242**	**$ 654,298**	**$ 783,346**	$ **(26,107,369)**	**$ 1,917,517**

The accompanying notes are an integral part of these consolidated financial statements

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	2016	2015
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Loss for the year	$ (645,067)	$ (874,897)
Amortization	2,175	7,307
Share-based payments	266,430	-
Flow-through share related income	(37,560)	(58,846)
Unrealized gain on marketable securities	(5,310)	-
Write-off of exploration and evaluation properties	(2,010)	484,188
Impairment loss – assets held for sale	113,536	-
Gain on sale of property and equipment	(57,730)	-
	(365,536)	(442,248)
Net change in non-cash working capital items:		
Amounts receivable and prepaid expenses	2,787	26,350
Accounts payable and accrued liabilities	(72,089)	(56,274)
Net cash flows used by operating activities	(434,838)	(472,172)
INVESTING ACTIVITIES		
Proceeds on sale of property and equipment	59,394	-
Net cash flows provided by investing activities	59,394	-
FINANCING ACTIVITIES		
Issuance of securities	2,567,770	30,000
Issue costs	(169,259)	(1,452)
Net cash flows provided by financing activities	2,398,511	28,548
NET CHANGE IN CASH	**2,023,067**	**(443,624)**
CASH, BEGINNING OF THE YEAR	**124,168**	**567,792**
CASH, END OF THE YEAR	**$ 2,147,235**	**$ 124,168**

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Murchison Minerals Ltd. (the "Company" or “Murchison”) was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, Canada, M5H 1T1.

The consolidated financial statements were approved by the Board of Directors on March 8, 2017.

At the annual and special meeting of the shareholders of the Company held on April 6, 2016, shareholders of the Company approved the consolidation of the outstanding common shares on the basis of one post-consolidation common share for up to twenty (20) outstanding pre-consolidation common shares in the event of a significant financing and/or of a corporate transaction.

On August 10, 2016, in conjunction with the closing of the first tranche of a significant financing, the Company consolidated its common shares on a ten (10) old common shares for one (1) new common share. The post-consolidation common shares commenced trading on the Canadian Securities Exchange (“CSE”) under the same name and ticker symbol (MUR) on August 10, 2016, at which time the CUSIP and ISIN numbers of the Company became 626426209 and CA6264262099, respectively. Following the consolidation, the Company had 15,853,695 common shares outstanding. The comparative figures have been adjusted to reflect the consolidation of the common shares.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at December 31, 2016, the Company has a cumulative deficit of $26,107,369 (December 2015 - $25,759,360), continuing losses and is not yet generating positive cash flows from operations. These consolidated financial statements were prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for investment which has been presented at fair value through profit or loss ("FVTPL"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within these consolidated financial statements:

Company	Registered	Principal activity
Murchison Minerals Ltd.	Ontario, Canada	Parent company
Flemish Gold Corp.	Ontario, Canada	Exploration company
Pearl Mining (U) Ltd.(1)	Uganda, Africa	Exploration company
Flemish Investments Ltd. (Uganda)(1)	Uganda, Africa	Exploration company
Flemish Investments Burundi SA(1)	Burundi, Africa	Exploration company

(1) 100% owned by Flemish Gold Corp.

Foreign currencies

The functional currency, as determined by management of the Company and each of its subsidiaries is the Canadian Dollar. For the purposes of the consolidated financial statements, the results and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period-end exchange rates are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Financial Instruments

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (continued)

A financial asset is classified at FVTPL if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVTPL if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Realized and unrealized gains and losses are reflected in the statement of comprehensive loss. Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. The Company has designated its investments in marketable securities as FVTPL.

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated 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:

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (continued)

- 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).

As at December 31, 2016, the Company's *Investment* on the consolidated statement of financial position was recorded at level 1 with a fair value of $7,320 (2015 - $nil).

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to a periodic impairment assessment.

Exploration and evaluation properties

The acquisition costs of exploration and evaluation properties are deferred until the properties are placed into production, sold or abandoned. These costs are then expected to be amortized on a unit-of-production basis over the estimated useful life of the related property following the commencement of production, or written off if the properties are sold, allowed to lapse or abandoned, or when impairment has been determined to have occurred. If the exploration and evaluation property costs are determined not to be recoverable over the estimated useful life of the property or are greater than the estimated fair market value of the property, the unrecoverable portion is charged to profit or loss in that period.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

Credit on duties refundable for losses and refundable tax credit for resources

The Company is entitled to a credit on duties refundable for losses under the Quebec Mining Duties Act. This credit on duties refundable for losses applies on non flow-through mineral exploration expenses incurred in the Province of Quebec. The rate is 16% but applies only on 50% of mineral exploration expenses.

Also, the Company is entitled to the refundable tax credit for resources for mineral companies on qualified expenditures incurred in the Province of Quebec. The refundable tax credit for resources may reach 35% (south of 52^{nd} parallel) or 38.75% (north of 52^{nd} parallel) of qualifying expenditures incurred. Tax credit for resources and credit on duties are accounted for using the cost reduction method. Accordingly, tax credit for resources and credit on duties are recorded as a reduction of the related expenses or capital expenditures in the period the expenses are incurred, provided that the Company has reasonable assurance the tax credit for resources and credit on duties will be realized.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, on hand and short-term money market investments with original maturities of 90 days or less which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and are available on demand by the Company. When cash and cash equivalents include an amount to be incurred in relation to a flow-through commitment, an amount equal to the minimum commitment is kept in a separate bank account. As at December 31, 2016 and 2015, the Company had no cash equivalents.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at December 31, 2016 and December 31, 2015.

Property and equipment

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	33%	Declining
Computer equipment	3 years	Straight-line
Office equipment	20%	Declining
Spare parts	Expected usage	Expected usage

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. Unexercised expired and modified stock option values are transferred to deficit.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity

Share capital, stock options, warrants and broker units are classified as equity. Incremental costs directly attributable to the issuance of shares, warrants and broker units are recognized as a deduction from equity and allocated between share capital and warrants. Expired stock options and warrants are transferred to deficit.

Flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference ("premium") between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liability which is reversed into the statement of loss when the eligible expenditures are incurred. The amount recognized as a flow-through share related liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at December 31, 2016 and December 31, 2015 as the disturbance to date is minimal.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all broker warrants and options outstanding that may add to the total number of common shares. Diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive. See Note 1.

Warrants

Warrants are recognized at fair value on the date of grant and are measured using the Black-Scholes option pricing model. Unexercised expired warrants are transferred to deficit, net of any taxable capital gains incurred on expiry.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amounts, events or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets’ carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the recoverable amount, being the higher of value in use and fair value less costs to sell in the case of non-financial assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Income and other taxes

Income, value added, withholding and other taxes The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Stock-based compensation

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting policies

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (“IFRS 5”) was amended in September 2014 to add specific guidance for cases in which an entity reclassifies an asset from “held for sale” to “held for distribution” or vice versa and cases in which “held-for-distribution” accounting is discontinued. The amendments are effective for annual periods beginning on or after January 1, 2016. At January 1, 2016, the Company adopted this amendment and there was no material impact on the Company’s consolidated financial statements.

IFRS 7 – Financial Instruments: Disclosures (“IFRS 7”) was amended in September 2014 to clarify whether a servicing contract is continuing involvement in a transferred asset for purposes of determining the disclosures required. IFRS 7 was also amended to clarify that the additional disclosures relating to offsetting are not specifically required for interim periods unless required by IAS 34. The amendments are effective for annual periods beginning on or after January 1, 2016. At January 1, 2016, the Company adopted this amendment and there was no material impact on the Company’s consolidated financial statements.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. At January 1, 2016, the Company adopted this amendment and there was no material impact on the Company’s consolidated financial statements.

New accounting standard not yet adopted

The IASB issued the following standard that is relevant but has not yet been adopted by the Company. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has not yet begun the process of assessing the impact that the new and amended standard will have on its condensed interim consolidated financial statements or whether to early adopt any of the new requirements.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

3. CAPITAL 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 through enhancing the share value.

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. At the annual and special meeting of shareholders of the Company held on April 6, 2016, the shareholders of the Company approved that the common shares in the capital of the Company be changed by the consolidation of the issued and outstanding common shares at a ratio of up to twenty (20) to one (1), such ratio to be determined by the board of directors of the Company, in its sole discretion. On August 10, 2016, in conjunction with the closing of the first tranche of a significant financing, the Company consolidated its common shares on a one (1) new common share for ten (10) old common shares.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at December 31, 2016 totalled $1,917,517 (December 31, 2015 - $342,203). 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 regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2016. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

4. FINANCIAL RISK FACTORS

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

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the year ended December 31, 2016.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

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, 2016, the Company had a cash balance of $2,147,235 (December 31, 2015 - $124,168) to settle current liabilities of $66,577 (December 31, 2015 - $138,666). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. An amount of $nil (December 31, 2015 - $25,000) that is included in current liabilities became payable when the Company completed its first tranche of the equity financing closed on August 10, 2016 and the amount has been paid.

4. FINANCIAL RISK FACTORS (Continued)

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 commodity prices.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal as cash and cash equivalents investments have maturities of three months or less.

Foreign currency risk
The Company's functional and presentation currency is the Canadian dollar. Certain expenditures are transacted in foreign currencies. As a result, the Company is exposed to fluctuations in these foreign currencies relative to the Canadian dollar. As at December 31, 2016, approximately $42,546 of cash was held in US dollars (December 31, 2015 - $24,032). Approximately $5,028 (December 31, 2015 - $11,891) of account payable was held in US dollars.

Commodity price risk
Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company’s value. As at December 31, 2016, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience, the Company believes the following movements are “reasonably possible” over a one-year period:

(i) Based on cash and other working capital balances at December 31, 2016, held in currencies other than the Canadian dollar, a 10% change in the foreign exchange rates relative to the Canadian dollar would result in a corresponding foreign exchange gain or loss of approximately $4,600.

(ii) Based on cash balances at December 31, 2016, a 1% change in interest rates would result in a corresponding interest income change of approximately $20,500 for the one-year period.

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	2016	2015
Financial assets:		
Loans and receivables		
Cash	$ 2,147,235	$ 124,168
Amounts receivable	1,475	-
FVTPL		
Investment	7,320	-

(Expressed in Canadian Dollars)

5. CATEGORIES OF FINANCIAL INSTRUMENTS (Continued)

Financial liabilities:

Other financial liabilities		
Accounts payable and accrued liabilities	$ 66,577	$ 138,666

As of December 31, 2016 and December 31, 2015, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature, except as disclosed in note 7.

6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	2016	2015
Sales tax receivable	$ 30,346	$ 32,633
Other receivable	1,475	-
Prepaid expenses and advances	9,475	20,622
Refundable tax credits	15,243	6,071
	$ 56,539	$ 59,326

7. INVESTMENT

The Company's investment is classified as FVTPL and is carried at fair value. The balance is comprised of the following:

	Number of shares	2016	2015
First Mining Finance Corp.	8,612	$ 7,320	$ -

In 2014, the Company received 33,500 common shares of PC Gold Inc. ("PCG") upon the sale of its interest in two claims known as the Pickle Lake East property. PCG was acquired by First Mining Finance Corp. ("FMF") in November 2015 and the PCG shares were exchanged for 8,612 FMF common shares. In 2014, the common shares were valued at $2,010. As at December 31, 2016, the fair value of the FMF shares was $7,320 resulting from an unrealized gain of $5,310 (2015 - $nil) recognized on the statement of loss in 2016.

8. PROPERTY AND EQUIPMENT

	Exploration Equipment	Computer Equipment	Office Equipment	Total
Year ended December 31, 2015				
Opening net book amount	$ 301,529	$ 1,995	$ 1,158	**$ 304,682**
Amortization for the year	(5,050)	(1,995)	(262)	**(7,307)**
Closing net book amount	**$ 296,479**	**$ -**	**$ 896**	**$ 297,375**
At December 31, 2015				
Cost	$ 371,087	$ 34,306	$ 1,304	**$ 406,697**
Accumulated amortization	(74,608)	(34,306)	(408)	**(109,322)**
Net book amount	**$ 296,479**	**$ -**	**$ 896**	**$ 297,375**

(Expressed in Canadian Dollars)

8. PROPERTY AND EQUIPMENT (Continued)

Year ended December 31, 2016				
Opening net book amount	$ 296,479	$ -	$ 896	**$ 297,375**
Amortization for the year	(2,104)	-	(71)	**(2,175)**
Dispositions	(1,184)	-	(480)	**(1,664)**
Fair value write-down (assets held for sale)	(113,191)	-	(345)	**(113,536)**
Closing net book amount	**$ 180,000**	**$ -**	**$ -**	**$ 180,000**

In 2016, the Company sold exploration and office equipment located in Africa resulting in a gain on sale of assets of $57,730. The Company sold its exploration equipment and office equipment located in Africa in February 2017 (Note 18). The equipment was classified as held for sale on the statement of financial position as at December 31, 2016 and December 31, 2015 and is presented at the carrying value which is the lower of its carrying amount and its estimated fair value less costs to sell, as determined by management.

9. EXPLORATION AND EVALUATION PROPERTIES

	Canada	Uganda	Total
Balance, December 31, 2014	**$ 480,000**	**$ 4,188**	**$ 484,188**
Impairment	(480,000)	(4,188)	(484,188)
Balance, December 31, 2015 and December 31, 2016	**$ -**	**$ -**	**$ -**

Canada

Brabant Lake Property – Saskatchewan

As at December 31, 2016, the Company held a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

Pickle Lake Properties - Ontario

At December 31, 2016, the Company had a 51% interest in the Dorothy-Dobie Lake property and the Kasagiminnis property, both located in the Pickle Lake Greenstone Belt. The Company also had a 100% interest in the Pickle Lake Gold property which comprises certain claims acquired in 2009.

On July 4, 2016, the Company entered into an agreement with White Metal Resources Corp. (“White Metal”) whereby White Metal can acquire all of the Company’s interest (“Earned Interest”) in its above Pickle Lake Gold properties . White Metal may exercise the option and acquire the Earned Interest by completing all of the following expenditures and cash payments :

9. EXPLORATION AND EVALUATION PROPERTIES (Continued)

(i) pay $10,000 in cash to Murchison at the signing of the agreement (received);

(ii) pay $15,000 in cash to Murchison on or before the date which is 12 months from the date of the agreement;

(iii) pay $20,000 in cash to Murchison on or before the date which is 24 months from the date of the agreement.

(iv) spend $1,200,000 over three years beginning on the date of the agreement as follows:

i. complete a work commitment of $200,000 on or before the date which is twelve (12) months from the date of the agreement (see Note 18);

ii. complete a cumulative work commitment of $700,000 on or before the date which is twenty four (24) months from the date of the agreement (with at least $250,000 on drilling); and

iii. complete a cumulative work commitment of $1,200,000 on or before the date which is thirty-six (36) months from the date of the agreement (with at least $700,000 on drilling).

(v) once the Earned Interest is completed, Murchison will be entitled to a 1% net smelter return (the "NSR") of which fifty percent (50%) can be purchased by White Metal for $1,000,000 and the balance of the other fifty percent (50%) of the said NSR can be purchased for $1,500,000.

Upon completion of the option payments and expenditures, White Metal will deliver a notice to the Company setting out that it has exercised the option, and the date of the option notice shall be deemed to be the date in which White Metal's Earned Interest in the properties pursuant to the option shall be effective, subject to the Murchison's NSR.

In August 2014, the Company entered into an agreement with Frontline Gold Corporation ("FGC") and White Metal whereby FGC acquired 100% of the Company's 51% interest and the 49% interest held by White Metal in two claims known as the Pickle Lake East property. As part of the agreement, the Company received 33,500 common shares of PC Gold Inc. (see Note 7). The claims will be subject to a 2% NSR (1% for the Company and 1% to White Metal for which 0.5% can be purchased for $500,000 from each of White Metal and the Company).

HPM Property - Quebec

During 2015, the Company acquired certain claims at HPM property. As at December 31, 2016, the property consisted of 36 claims for which Pure Nickel Inc. has a 50% interest.

Cloridorme Property - Quebec

As at December 31, 2016, the Company owned 100% of the claims forming the Cloridorme property. The property is subject to a royalty equivalent to a 2% NSR. The Company has the right to purchase the 2% NSR at any time for $1,000,000. In December 2015, the Company wrote-off the carrying value of the Cloridorme property as no further work is planned on the property.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number of Shares		Amount
Balance - December 31, 2014 and December 31, 2015 (Note 1)	**15,553,695**	**$**	**25,403,089**
Issuance of common shares	300,000		15,000
Issue Costs	-		(1,452)
Balance - December 31, 2015	**15,853,695**	**$**	**25,416,637**
Issuance of common shares (i)	5,263,000		1,315,750
Issue costs (i)	-		(54,114)
Warrants (i)	-		(594,950)
Issuance of flow-through shares (ii)	4,173,400		1,252,020
Issue costs (ii)	-		(67,651)
Warrants (ii)	-		(235,890)
Flow-through premium (ii)	-		(444,560)
Balance – December 31, 2016	**25,290,095**	**$**	**26,587,242**

(i) On August 10 and August 31, 2016, Murchison completed two tranches of a non-brokered private placement and issued respectively 4,103,000 and 1,160,000 units priced at $0.25 per unit for gross proceeds of $1,315,750. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.30 until August 10, 2018 and August 31, 2018 respectively.

The fair value of the warrants was estimated at $594,950 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 219% based on historical trading of the Company's shares, risk-free interest rate of 0.56%, and expected life of 2 years.

Finders' fees of $51,625 were paid and 206,500 finders' warrants valued at $23,340 using the Black-Scholes option model pricing with the same assumptions in the paragraph above were issued. The finders' warrants are exercisable into common shares having the same terms as the private placement warrants at an exercise price of $0.30 for a period of two years.

Directors and officers of the Company acquired 1,730,000 units of the private placement for gross proceeds of $432,500 (Note 14).

(ii) On August 10 and August 31, 2016, Murchison completed two tranches of a non-brokered private placement and issued respectively 783,400 and 3,390,000 flow-through units priced at $0.30 per unit for gross proceeds of $1,252,020 of which, $444,560 was allocated to the flow-through premium. Each unit consisted of one flow-through common share and one-half non flow-through common share purchase warrant exercisable at $0.30 until August 10, 2018 and August 31, 2018 respectively.

The fair value of the warrants was estimated at $235,890 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 219% based on historical trading of the Company's shares, risk-free interest rate of 0.56%, and expected life of 2 years.

Finders' fees of $78,540 were paid and 261,800 finders' warrants valued at $29,600 using the Black-Scholes option model pricing with the same assumptions in the paragraph above were issued. The finders' warrants are exercisable into common shares having the same terms as the private placement warrants at an exercise price of $0.30 for a period of two years.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

A director of the Company acquired 333,400 units of the flow-through private placement for gross proceeds of $100,020 (Note 14).

11. WARRANTS AND FINDERS' WARRANTS

The following summarizes the warrants and finders' warrants activity for the years ended December 31, 2016 and 2015:

	Number of Warrants		Grant Date Fair Value		Weighted Average Exercise Price
Balance - December 31, 2014	**7,598,620**	**$**	**1,910,330**	**$**	**1.20**
Expired	(5,250,500)		(1,680,730)		1.50
Balance – December 31, 2015	**2,348,120**		**229,600**		**0.50**
Balance - December 31, 2015	**2,348,120**	**$**	**229,600**	**$**	**0.50**
Issued August 10 and 31, 2016 - Warrants	7,349,700		830,840		0.30
Issued August 10 and 31, 2016 – Finders' Warrants	468,300		52,940		0.30
Issue costs	-		(100,434)		-
Expired	(2,348,120)		(229,600)		0.50
Balance – December 31, 2016	**7,818,000**	**$**	**783,346**	**$**	**0.30**

As at December 31, 2016, the Company had warrants and finder's warrants outstanding as follows:

Date of Grant	Number of Warrants	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date
August 10, 2016	4,670,400	0.30	482,058	August 10, 2018
August 31, 2016	3,147,600	0.30	301,288	August 31, 2018
	7,818,000		**783,346**	

12. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the years ended December 31, 2016 and 2015:

	Number of Stock Options		Weighted Average Exercise Price
Balance - December 31, 2014	**1,410,310**	**$**	**0.80**
Expired	(4,210)		50.00
Balance – December 31, 2015	**1,406,100**		**0.60**

(Expressed in Canadian Dollars)

12. STOCK OPTIONS (Continued)

Balance - December 31, 2015	**1,406,100**	**$**	**0.60**
Expired	(167,800)		1.26
Granted (i) (ii)	1,070,000		0.30
Balance – December 31, 2016	**2,308,300**		**0.42**

(i) On August 22, 2016, the Company granted 600,000 stock options exercisable at $0.30 for 5 years to an officer and director of the Company. The grant date fair value of the these options of$149,400 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.58%, expected volatility – 122% based on similar companies industry average, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the $149,400 fair value was recorded as share-based payment on the *Statement of Loss* for the year ended December 31, 2016.

(ii) On September 27, 2016, the Company granted 470,000 stock options exercisable at $0.30 for 5 years to directors, officers and consultants of the Company. The grant date fair value of the these options of $117,030 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.64%, expected volatility – 122% based on similar companies industry average, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the $117,030 fair value was recorded as share-based payment on the *Statement of Loss* for the year ended December 31, 2016.

As at December 31, 2016, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	**Options Outstanding**[1]	**Exercise Price ($)**	**Grant Date Fair Value ($)**	**Expiry Date**	**Weighted Average Remaining Contractual Life (years)**
June 6, 2014	6,100	7.50	2,074	February 10, 2017	0.11
February 28, 2014	566,500	0.70	305,910	February 28, 2019	2.16
December 2, 2014	665,700	0.30	79,884	December 2, 2019	2.92
August 22, 2016	600,000	0.30	149,400	August 22, 2021	4.64
September 27, 2016	470,000	0.30	117,030	September 27, 2021	4.74
	2,308,300	**0.42**	**654,298**		**3.55**

[1] All options are exercisable.

(Expressed in Canadian Dollars)

13. INCOME TAXES

(a) Provision for income taxes

Major items causing the Company's income tax to differ from the combined Canadian federal and provincial statutory rate of 27% (2015 - 27%) were as follows:

	2016 **$**	**2015** **$**
Combined Canadian statutory income tax rate	27%	27%
Loss before income taxes	(645,067)	(874,897)
Expected income tax recovery based on the statutory rate	(173,000)	(234,000)
Adjustment to expected income tax benefit:		
Expiry of losses	1,813,000	1,738,000
Differences in tax rates and foreign exchange	363,000	(232,000)
Permanent differences and other	(93,000)	(1,003,000)
Deferred tax assets not recognized	(1,910,000)	(269,000)
Deferred income tax recovery	-	-

(b) Deferred income tax

Deferred income tax assets have not been recognized in respect of the following deductible differences:

	2016 **$**	**2015** **$**
Non-capital losses	20,455,000	26,533,000
Resource properties	7,381,000	7,673,000
Share issue costs - Canada	167,000	130,000
Other	561,000	481,000
Total	28,564,000	34,817,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

(c) Recognized deferred tax assets and liabilities

	2016 **$**	**2015** **$**
Non-capital losses	485,000	425,000
Unrealized foreign exchange	(485,000)	(425,000)
Total	-	-

(d) As at December 31, 2016, the Company had approximately $4,724,000 (2015 - $4,722,000) of Canadian development and exploration expenses and foreign exploration and development expenses, which, under certain circumstances, may be utilized to reduce taxable income of future years.

(Expressed in Canadian Dollars)

13. INCOME TAXES (Continued)

(e) Tax loss carry-forwards

As at December 31, 2016, the Company had approximately $14,877,000 of non-capital losses in Canada, which may be used to reduce taxable income in future years. These losses expire from 2025 to 2036.

The Company had approximately $7,000,000 of non-capital losses in Burundi, which may be used to reduce taxable income in future years. These losses expire from 2016 to 2019.

The Company had approximately $187,000 of non-capital losses in Uganda, which can be carried forward indefinitely to reduce taxable income in future years.

14. RELATED PARTY TRANSACTIONS

a) Remuneration of directors and the officers was as follows:

	2016	2015
Salaries and benefits	$ 152,619	$ 109,295
Share-based payments	261,450	-
	$ 414,069	**$ 109,295**

For the year ended December 31, 2016, the salaries and benefits amount above includes $72,569 (2015 - $38,000) for fees invoiced by a corporation controlled by the CFO of the Company for his services (for which $16,188 was recorded as issue costs) and $80,050 (2015 - $6,000) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO. Also included in these amounts for the year ended December 31, 2016 are bonuses paid to the CEO and CFO of respectively $25,000 and $20,000 following the private placement completed in August 2016. Included in accounts payable and accrued liabilities at December 31, 2016 is $12,450 (2015 - $nil) and $2,149 (2015 - $1,120) owed to corporations controlled by the CEO and CFO, respectively. See Note 15.

b) Private Placement
As part of the private placement completed in August 2016, directors and officers of the Company acquired 1,730,000 units for gross proceeds of $432,500 and 333,400 flow-through units for gross proceeds of $100,020 (Note 10).

15. COMMITMENTS AND CONTINGENCIES

Flow-Through Obligation

As at December 31, 2016, the Company has to incur $1,146,239 in qualifying exploration expenditures by December 31, 2017 to meet its flow-through commitment as described in Note 10. The Company keeps a separate bank account for the flow-through expenses to be incurred in a minimum amount equal to the flow-through obligation. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

(Expressed in Canadian Dollars)

15. COMMITMENTS AND CONTINGENCIES (Continued)

Environmental

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management Contract

The Company is party to a management contract. This contract requires that an additional payment of up to $500,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payment has not been reflected in these consolidated financial statements. The minimum commitment upon termination of this contract is $128,700. The minimum commitment due within one year under the terms of this contract is $85,800.

Burundi Litigation

In August 2014, Flemish Investments Burundi S.A. was informed that three Burundian ex-employees have filed claims against Flemish Investments Burundi S.A. pertaining to severance payments totaling approximately US$10,500 and damages of approximately US$188,000. In 2015, the Court of Appeal of Bujumbura found in favour of the former employees for an aggregate amount of approximately US$117,000 plus 6% interest. The Company no longer operates or owns assets in Burundi and according to Burundian law, the subsidiary's liability is limited to:

- the value of the assets of the subsidiary in Burundi ($nil at December 31, 2016 and 2015) or;
- the share capital originally invested of US$10,000.

16. SEGMENTED INFORMATION

The Company currently operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral property interests. Non-current assets segmented by geographical area are as follows:

	2016	2015
Canada	$ -	$ -
Africa	-	297,375
	$ -	**$ 297,375**

(Expressed in Canadian Dollars)

17. DISCONTINUED OPERATIONS

Included in the consolidated statement of loss for the year ended December 31, 2016 was a loss from discontinued operations in Burundi of $68,337 (2015 - income from discontinued operations of $185,340) comprised of $12,531 in exploration expenditures (2015 - recovery of $185,340), gain on disposal of property and equipment of $57,730 (2015 - $nil) and impairment loss on assets held for sale of $113,536 (2015 - $nil).

	2016	2015
(Loss) per share continuing operations – basic and diluted	$ (0.03)	$ (0.07)
(Loss) income per share discontinued operations – basic and diluted	(0.00)	0.01
	$ (0.03)	$ (0.06)

Cash flows from discontinued operations included in the consolidated statement of cash flows include:

	2016	2015
Operations	$ (12,531)	$ 185,340
Investing	59,394	-
Increase in cash	$ 46,863	$ 185,340

18. SUBSEQUENT EVENTS

a) On February 2, 2017, the Company and White Metal agreed to amend the work commitment schedule as per the agreement described in Note 9 to $900,000 on or before the date which is twenty four (24) months from the date of the original agreement (with at least $250,000 on drilling). The original agreement required the completion of a work commitment of $200,000 on or before the date which is twelve (12) months and $700,000 on or before the date which is twenty four (24) months from the date of the agreement (with at least $250,000 on drilling).

b) On February 10, 2017, 6,100 stock options exercisable at $7.50 expired unexercised.

c) On February 17, 2017, the Company completed the sale of its exploration and office equipment located in Africa for net proceeds of $178,600.

MURCHISON MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016

This Management's Discussion and Analysis ("MD&A") is intended to supplement the consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the year ended December 31, 2016 with comparatives for the same period a year earlier. The consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of financial statements. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2016, which are available on the Company's website (www.murchisonminerals.com). This MD&A covers the most recently completed financial year end and the subsequent period up to March 8, 2017. The information is presented in Canadian dollars unless stated otherwise.

OVERALL PERFORMANCE

Description of Business

Murchison is a Canadian based exploration company with a diversified portfolio of properties, including the high-grade Brabant-McKenzie zinc-copper-silver deposit in north-central Saskatchewan, the HPM Nickel/Copper/Cobalt project in Quebec and holds gold claims in the Pickle Lake area of northwestern Ontario which are currently under option to White Metal Resources Corp. The Company expects to acquire additional properties as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan in the future rests entirely on its ability to secure equity and other financings or realize cash from the sale of assets.

Trends

The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the commodity prices for minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. Apart from these, the risk factors noted under the heading "Uncertainties and Risk Factors" and "Forward Looking Statement" included this MD&A, 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.

OUTLOOK

In August 2016, the Company raised $2.5 million which included $1.25 million in flow-through funds. These flow-through proceeds will allow the Company to advance the exploration on its mineral properties with the focus on the Brabant-Mackenzie project (the "Project") and more specifically on the resource expansion at the high-grade Brabant-McKenzie zinc-copper-silver deposit (the "Deposit") in north-central Saskatchewan.

In February 2017, the Company commenced its two rig - 5,000 metre drill program on the Project and drilling is expected to be completed by mid to late March 2017.

In February 2017, the Company also commenced a ground geophysical survey on the Project designed to follow up and confirm the results of the HeliSAM geophysics survey completed in December 2016. The ground geophysics will utilize a deep penetrating SQUID electromagnetic survey system in order to provide better definition of Anomalies C and D located approximately 1.4 kilometres southwest and 1.0

kilometre south, respectively, of the Deposit. The focus of the survey is to better define Anomalies C and D in order to drill test the anomalies.

In the light of the recent financing, management's objective is to maximize the money spent "in the ground". The long-term goal remains to develop the Company's properties and achieve commercial production. The Company may enter into partnerships in order to fully exploit the production potential of its exploration assets.

MINERAL PROPERTIES – EXPLORATION ACTIVITIES

Brabant Property – Saskatchewan

The Brabant property is owned 100% by Murchison and is strategically located along Highway 102 between the town of La Ronge to the south and the Athabasca Basin to the north, near major infrastructure. The Brabant property consists of the Deposit and number of additional zinc and copper occurrences along the 16 kilometre strike of favourable geological horizon, all of which remain under-explored. The project area shares geological characteristics, including similar age, with the Flin Flon volcanogenic massive sulphide (VMS) mining camp in Manitoba. The current (2008) mineral resource for the Deposit consists of 1.5 Mt grading 9.2% zinc, 0.8% copper and 33 g/t silver in indicated resources and 3.0 Mt grading 5.6% zinc, 0.6% copper and 14 g/t silver in inferred resources (for additional details, refer to Murchison's website: www.muchisonminerals.com). The Deposit consists of two sub-parallel massive sulphide zones, which average 5 metres in thickness and have been traced in drilling for approximately 1,000 metres along strike and 500 metres down dip. Re-interpretation of previous VTEM and BHEM surveys identified numerous electromagnetic ("EM") conductors laterally and down dip from known mineralization and confirms that the deposit remains open to expansion by drilling in all directions.

In December 2016, the Company completed a five borehole electromagnetic ("BHEM") and low-level helicopter borne, B Field EM ("Heli-SAM") geophysical program. The BHEM surveys successfully identified new EM conductors proximal to the Deposit, while the Heli-SAM survey indentified EM conductors coincident with the Deposit extending to 1,000 metre depth as well as two new significant EM conductors located laterally and at depth relative to the Deposit.

The BHEM surveys focused on the periphery of the upper and lower main mineralized zones (together the "Main Zone") of the Deposit. The survey was successful in identifying numerous conductive EM plates that are coincident with thicker zones of the Deposit and areas with little or no testing by previous drilling immediately adjacent to the Main Zone.

The subsequent 120-line kilometre Heli-SAM survey was conducted over and along strike of the Deposit. The survey was designed to detect more conductive pyrrhotite rich zones at greater depths than was previously identified with historic airborne, ground and BHEM techniques. Interpretation of the data suggests that the Deposit has a down dip extent of approximately 1,000 metres while historic drilling of the Deposit has identified VMS style mineralization to a current down dip depth extent of 520 metres. Results also indicate that in addition to the Deposit conductor, two new large distinct conductors have been identified approximately 1.5 kilometres southwest (the "SW Conductor") and 1.4 kilometres due south (the South Conductor") of the Deposit. Neither target has been drill tested. The clustering of these multiple conductive zones is encouraging, in that it is common for several zones of stratabound mineralization to occur locally within a volcanogenic massive sulfide setting.

The SW Conductor is believed to be located within the same stratigraphic host rock as the Deposit. Modeling indicates a strike length of 1.4 kilometres, a dip extent of 600 metres and a depth to top of the plate at 490 metres. Modeling of the South Conductor indicates a strike length of 900 metres, a down dip extent of 300 metres and a depth to top of the plate at 600 metres. The conductivity of the South

Conductor is similar to the Main Zone. Both targets will require additional ground geophysics follow up prior to drill testing.

Based on the highly encouraging geophysical results related to the Deposit in combination with previous geophysical information and the new geological interpretation, the Company initiated a 5,000 metres, 10-hole diamond drilling program in February 2017. The drill program is designed to increase tonnage of the Deposit and will focus along strike and on the down dip/plunge extensions of the Main Zone within areas of higher conductivity.

For the year ended December 31, 2016, the Company incurred $106,400 (2015 - $171,069) in exploration expenses on the Brabant-McKenzie property.

Pickle Lake Properties – Ontario

On July 4, 2016, the Company entered into an Agreement with White Metal Resources Corp. ("White Metal") whereby White Metal can acquire all of the Company's 51% interest ("Earned Interest") in its Pickle Lake Gold properties (the "Properties"). White Metal may exercise the option (the "Option") and acquire the Earned Interest by completing all of the following expenditures and cash payments ("Option Payments"):

(i) pay $10,000 in cash to Murchison at the signing of the Agreement (received);

(ii) pay $15,000 in cash to Murchison on or before the date which is 12 months from the date of the Agreement;

(iii) pay $20,000 in cash to Murchison on or before the date which is 24 months from the date of the Agreement.

(iv) spend $1,200,000 over three years beginning on the date of the Agreement (collectively, the "Expenditures") as follows:

   i. complete a work commitment of $900,000 (as amended on February 2, 2017) on or before the date which is twenty four (24) months from the date of the Agreement (with at least $250,000 on drilling); and

   ii. complete a cumulative work commitment of $1,200,000 on or before the date which is thirty-six (36) months from the date of the Agreement (with at least $700,000 on drilling).

(v) once the Earned Interest is completed, Murchison will be entitled to a 1% Net Smelter Return (the "NSR") of which fifty percent (50%) can be purchased by White Metal for $1,000,000 and the balance of the other fifty percent (50%) of the said NSR can be purchased for $1,500,000.

Upon completion of the Option Payments and Expenditures, White Metal will deliver a notice to the Company (the "Option Notice") setting out that it has exercised the Option, and the date of the Option Notice shall be deemed to be the date in which White Metal's Earned Interest in the Properties pursuant to the Option shall be effective, subject to the Murchison's NSR.

HPM Property – Quebec

The HPM project is a 50-50 joint venture with Pure Nickel Inc. No exploration activities were conducted on the HPM project during 2016. For the year ended December 31, 2016, the Company incurred $1,364 (2015 - $6,237) in claim maintenance and renewal expenses for the HPM project.

General Exploration

In 2016, the Company ceased all exploration activities in Burundi and Uganda and incidental costs for the year ended December 31, 2016 totalled respectively $12,531 and $29,315 (2015 – ($185,340) and $108,461).

In December 2016, the Company's was informed by Revenu Québec that its notices of objection related to refundable credits for losses pertaining to 2005, 2006, 2008 and 2009 has been received and a refund totalling $15,243 would be issued to Murchison during 2017. The adjustment was recorded as a recovery to general exploration along with the $10,000 option payment received from White Metal (see above) in July 2016 and another amount recovered of $3,755 mostly related to properties in Ontario.

Qualified Person

Exploration programs at the Company's project in Saskatchewan are being carried out under the supervision of Graham Gill, P.Geo., Independent Consultant, a "Qualified Person" within the meaning of NI43-101. Mr. Gill has supervised the preparation of, and confirmed all of the scientific and technical disclosure in this MD&A.

Access to Properties

The Company's access to its Canadian properties is dependent on climate and weather conditions. The Brabant property in Saskatchewan is accessible all year round. Typically, properties in Ontario are generally accessible all year round. All projects in Québec can be accessed from January to September as weather limits the activities during other times of the year.

RESULTS OF OPERATIONS

For the year ended December 31, 2016, the Company incurred a loss of $645,067 (2015 - $874,897). The decrease of $229,830 is mainly related to the following factors: **1.** lower write-off of exploration and evaluation properties of $484,188 (2016 - $nil vs 2015 - $484,188) related to the write-off of the Cloridorme property ($480,000) and the Uganda licences ($4,188) in 2015, offset by; **2.** higher share-based payments of $266,430 (2016 - $266,430 vs 2015 - $nil) as the Company granted stock options in August and September 2016; **3.** higher general exploration expenses of $81,689 (2016 - $12,848 vs 2015 – recovery of $68,841) due mostly to a Burundi VAT refund of $190,834 (US$143,000) received in July 2015, and; **4.** higher impairment on assets held for sale of $113,536 (2016 - $113,536 vs 2015 - $nil) as the assets held for sale were fair valued at December 2016.

For the year ended December 31, 2016, exploration expenses totaled $120,612 (2015 - $123,399) with Canada, $107,764 (2015 – $192,240) and general exploration $12,848 (2015 – recovery of $68,841).

SELECTED ANNUAL INFORMATION

The following table sets out financial performance highlights for the last three years and was prepared in accordance with IFRS.

	December 31, 2016	December 31, 2015	December 31, 2014
Interest Income	$6,070	$364	$11,306
Operating Expenses (1)	$387,972	$443,871	$3,694,760
Loss	$645,067	$874,897	$3,532,043
Basic and Diluted loss per share	$0.03	$0.01	$0.03
Total Assets	$2,391,094	$480,869	$1,442,338
Exploration Expenses	$120,612	$123,399	$2,166,866

(1) The exploration expenses are included in operating expenses and share-based payments are excluded from operating expenses.

The interest income fluctuation from year to year is the direct result of the cash balance and short-term investments available in each of the years. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of funds invested from time to time. The variation in the interest rates also has an impact on the interest income but such variation has been minimal for the years 2014 to 2016. The higher loss in 2014 was mostly related to the exploration activities and expenses in Uganda. The total assets in 2016 included $2.1 million in cash.

SUMMARY OF QUARTERLY RESULTS

	Fourth Quarter 2016	Third Quarter 2016	Second Quarter 2016	First Quarter 2016
Total Assets	$2,391,094	$2,608,713	$381,757	$364,675
Current Assets	$2,383,774	$2,313,993	$87,037	$69,084
Non-current Assets	$7,320	$294,720	$294,720	$295,591
Total Liabilities	$473,577	$495,259	$105,831	$95,995
Interest Income	$4,699	$1,369	$2	$nil
Loss (profit)	$195,937	$382,853	($7,246)	$73,523
Loss Per Share (1)	$0.01	$0.02	$0.00	$0.00

	Fourth Quarter 2015	Third Quarter 2015	Second Quarter 2015	First Quarter 2015
Total Assets	$480,869	$1,079,417	$1,043,784	$1,184,225
Current Assets	$183,494	$295,615	$258,292	$397,044
Non-current Assets	$297,375	$783,802	$785,492	$787,181
Total Liabilities	$138,666	$140,207	$149,153	$150,833
Interest Income	$43	$59	$86	$176
Loss	$610,555	($44,579)	$138,761	$170,160
Loss Per Share (i)	$0.01	$0.00	$0.00	$0.00
(i) Loss per share remains the same on a diluted basis				

Due to the nature of the business, the cash balance and short-term investments generating interest income are subject to fluctuations from quarter to quarter. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of funds invested from time to time. The variation in interest rates also has an impact on the interest income.

In Q3, 2016, the Company completed a non-brokered private placement in two tranches for net proceeds of $2.4 million. This had a direct impact on the interest income as well as total current assets and total assets for Q3 and Q4, 2016. Also in Q3, 2016, the Company granted to its directors, officers and consultants which generated a non-cash share-based payment expense of $266,430. In Q2, 2016, the profit of $7,246 is a direct result of a $33,514 gain on sale of assets held in Africa combined with lower management fees as the CEO and CFO provided services to the Company without compensation during the quarter. In Q1-2016, the lower loss is reflecting of the efforts made by management to control all administrative expenses. In Q4-2015, the Company wrote-off the carrying value of the Cloridorme property of $480,000 and conducted an exploration program at Brabant of $90,556. In Q3-2015, the profit of $44,579 relates mainly to a VAT refund of $190,834 (US$143,000) from the Government of Burundi. In Q1-2015 and Q2-2015, the exploration expenses were limited to Canada as the Company benefited from flow-through funds raised.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2016, the Company had no debt, cash of $2,147,235 and working capital (excluding flow-through share liability) of $2,317,197 (December 31, 2015 – $124,168 and $44,828, respectively). The Company's excess cash, when available, is deposited into interest-bearing accounts or invested in redeemable GICs with major Canadian chartered banks.

As at December 31, 2016, the Company had amounts receivable and prepaid expenses totaling $56,539 which included sales tax receivable of $30,346, refundable credits of $15,243, prepaid expenses of $9,475 and other receivable of $1,475.

During 2016, the Company sold exploration equipment located in Africa for net proceeds of $59,394. In February 2017, the remaining assets in Africa were sold for net proceeds of $178,600. The Company also received $10,000 in July 2016 from its option agreement with White Metal.

The December 31, 2016, consolidated financial statements were prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is always dependent on its ability to raise new funds to meet its obligations and continue its exploration activities.

Common Shares Consolidation

At the annual and special meeting of the shareholders of the Company held on April 6, 2016, shareholders of the Company approved a consolidation of the outstanding common shares on the basis of one post-Consolidation common share for up to twenty (20) outstanding pre-Consolidation common shares. On July 29, 2016, the Company confirmed that it was consolidating its current issued and outstanding share capital on a 10 old for 1 new basis.

The post-Consolidation common shares commenced trading on the Canadian Securities Exchange ("CSE") under same name and ticker symbol (MUR) on August 10, 2016, at which time the CUSIP and ISIN numbers of the Company became 626426209 and CA6264262099, respectively. Following the consolidation, the Company had 15,853,695 common shares outstanding.

Equity Financing

The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

Private Placements - $2,567,770

On August 10 and August 31, 2016, Murchison completed two tranches of a non-brokered private placement and issued respectively 4,103,000 and 1,160,000 units priced at $0.25 per unit for gross proceeds of $1,315,750. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.30 until August 10, 2018 and August 31, 2018 respectively.

Finders' fees of $51,625 were paid and 206,500 finders' warrants valued at $23,340 were issued. The finders' warrants are exercisable into units having the same terms as the private placement at an exercise price of $0.30 for a period of two years.

Directors and officers of the Company acquired 1,730,000 units of the private placement for gross proceeds of $432,500.

Also on August 10 and August 31, 2016, Murchison completed two tranches of a non-brokered private placement and issued respectively 783,400 and 3,390,000 flow-through units priced at $0.30 per unit for gross proceeds of $1,252,020. Each unit consisted of one flow-through common share and one-half non flow-through common share purchase warrant exercisable at $0.30 until August 10, 2018 and August 31, 2018 respectively.

Finders' fees of $78,540 were paid and 261,800 finders' warrants valued at $29,600 were issued. The finders' warrants are exercisable into units having the same terms as the private placement at an exercise price of $0.30 for a period of two years.

A director of the Company acquired 333,400 units of the flow-through private placement for gross proceeds of $100,020.

All securities issued under the private placement and flow-through private placement were subject to a four-month and one day statutory hold period.

Warrants

In conjunction with both tranches of the private placements, the Company issued 7,349,700 warrants and 468,300 finders' warrants. All warrants entitle the holder to purchase one common share at an exercise price of $0.30 until August 10, 2018 (for 4,670,400 warrants) and August 31, 2018 (for 3,147,600 warrants).

During 2016, 2,348,120 warrants exercisable at $0.50 expired unexercised.

Stock Options

On August 22, 2016, the Company issued 600,000 stock options exercisable at $0.30 for 5 years to an officer of the Company to satisfy a provision in the officer's management contract.

On September 27, 2016, the Company granted 470,000 stock options exercisable at $0.30 for 5 years to directors, officers and consultants of the Company.

During 2016, 2,000 stock options exercisable at $8.00, 12,100 stock options exercisable at $7.50, 4,000 stock options exercisable at $5.00, 103,000 stock options exercisable at $0.70 and 46,700 stock options exercisable at $0.30 expired unexercised.

General

The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company expects to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in the future depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. The impact on our business and the cost and availability of financing remain uncertain and could affect our overall liquidity.

Commitments and Obligations

As at December 31, 2016, the Company had to incur $1,146,239 in qualifying exploration expenditures by December 31, 2017 to meet its flow-through commitment as described in note 10 of the financial statements for the year ended December 31, 2016. The Company keeps a separate bank account for the flow-through expenses to be incurred in a minimum amount equal to the flow-through obligation. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The Company is party to a management contract. This contract requires that an additional payment of up to $500,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payment has not been reflected in these condensed interim consolidated financial statements. Minimum commitment upon termination of this contract is $128,700. Minimum commitment due within one year under the terms of this contract is $85,800.

In August 2014, Flemish Investment Burundi S.A. was informed that three Burundian ex-employees have filed claims against Flemish Burundi S.A. pertaining to severance payments totaling approximately US$10,500 and damages of approximately US$188,000. In 2015, the Court of Appeal of Bujumbura found in favour of the former employees for an aggregate amount of approximately $117,000 plus 6% interest. The Company no longer operates or owns assets in Burundi and according to Burundian law, the subsidiary's liability is being limited to:

- the value of the assets of the subsidiary in Burundi ($nil at December 31, 2016) or;
- the share capital originally invested of US$10,000.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company has no long-term contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) Remuneration of directors and the officers was as follows:

	2016	2015
Salaries and benefits	$ 152,619	$ 109,295
Share-based payments	261,450	-
	$ 414,069	**$ 109,295**

For the year ended December 31, 2016, the salaries and benefits amount above includes $72,569 (2015 - $38,000) for fees invoiced by a corporation controlled by the CFO of the Company for his services (for which $16,188 was recorded as issue costs) and $80,050 (2015 - $6,000) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO. Also included these amounts for year ended December 31, 2016 are bonuses paid to the CEO and CFO of respectively $25,000 and $20,000 following the private placement completed in August 2016. Included in accounts payable and accrued liabilities at December 31, 2016 are $12,450 (December 2015 - $nil) and $2,149 (December 2015 - $1,120) owed to corporations controlled by the CEO and CFO respectively.

b) Private Placement

As part of the private placement completed in August 2016, directors and officers of the Company acquired 1,730,000 units for gross proceeds of $432,500 and 333,400 flow-through units for gross proceeds of $100,020.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no transactions currently pending.

CHANGES IN ACCOUNTING POLICIES

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5") was amended in September 2014 to add specific guidance for cases in which an entity reclassifies an asset from "held for sale" to "held for distribution" or vice versa and cases in which "held-for-distribution" accounting is discontinued. The amendments are effective for annual periods beginning on or after January 1, 2016. At January 1, 2016, the Company adopted this amendment and there was no material impact on the Company's consolidated financial statements.

IFRS 7 – Financial Instruments: Disclosures ("IFRS 7") was amended in September 2014 to clarify whether a servicing contract is continuing involvement in a transferred asset for purposes of determining the disclosures required. IFRS 7 was also amended to clarify that the additional disclosures relating to offsetting are not specifically required for interim periods unless required by IAS 34. The amendments are effective for annual periods beginning on or after January 1, 2016. At January 1, 2016, the Company adopted this amendment and there was no material impact on the Company's consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. At January 1, 2016, the Company adopted this amendment and there was no material impact on the Company's consolidated financial statements.

New Accounting Standards Not Yet Adopted

The IASB issued the following standard that is relevant but has not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new standard will have on its consolidated financial statements or whether to early adopt any of the new requirements.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

FINANCIAL INSTRUMENTS

	2016	2015
Financial assets:		
Loans and receivables		
Cash and cash equivalents	$ 2,147,235	$ 124,168
Amounts receivable	1,475	-
FVTPL		
Investments	7,320	-
Financial liabilities:		
Other financial liabilities		
Accounts payable and accrued liabilities	$ 66,577	$ 138,666

As of December 31, 2016 and December 31, 2015, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature, except as for the investment which is presented at fair value.

As at December 31, 2016, the Company's financial instrument *Investment* on the consolidated statements of financial position was recorded at level 1 with a fair value of $7,320 (2015 - $nil).

Significant accounting judgments and estimates:
The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to the following:

- ***Assets' carrying values and impairment charges***
  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- ***Income and other taxes***
  Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- ***Share-based payments***
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

Capital 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 through enhancing the share value.

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. At the Annual and Special Meeting of Shareholders of the Company held on April 6, 2016, the shareholders of the Company approved that the common shares in the capital of the Company be changed by the consolidation of the issued and outstanding common shares at a ratio of up to twenty (20) to one (1), such ratio to be determined by the board of directors of the Company, in its sole discretion. In July 2016, the Board of directors determined that the consolidation would be effective to the shareholders of record as of August 12, 2016 with a consolidation ratio of ten (10) to one (1). On August 10, 2016, in conjunction with the closing of the first tranche of a significant financing, the Company consolidated its common shares on a one (1) new common share for ten (10) old common shares. The post-consolidation common shares commenced trading on the Canadian Securities Exchange ("CSE") under same name and ticker symbol (MUR) on August 10, 2016, at which time the CUSIP and ISIN numbers of the Company became 626426209 and CA6264262099, respectively.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit. 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 regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2016 and 2015. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data

As of March 8, 2017, the following are outstanding:

•	Common Shares	25,290,095
•	Stock Options	2,302,200
•	Warrants	7,818,000

Uncertainties and Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

In addition to the risks outlined below, Murchison has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Murchison are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its future expenditures.

Exploration, Development and Operating Risks
Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral-bearing structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by The Company will result in a profitable commercial mining operation. Whether a gold or other mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The 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.

There is no certainty that the expenditures made by the Company towards the search and evaluation of gold or other minerals will result in discoveries of commercial quantities of gold or other minerals.

Country Risk
The Company may conduct business in jurisdictions and some countries in which the title to its properties may be uncertain or where access to infrastructure, or political stability, or security, among other things, may be unknown, or known, and prevent, or severely compromise, the Company from carrying out business. It may be that the Company accepts some or all of these risks, to the extent that they can be determined at all, in favour of acquiring properties with exceptional exploration and development potential, and may ultimately be prevented from exploring and developing those properties for any number of reasons which may, or may not, be predictable, foreseeable, or manageable.

Currency Risk
The Company's operations incur the majority of expenditures in Canadian and United States dollars but also incur expenditures in the local currencies of African countries. As a result of the use of these different currencies, the Company is subject to foreign currency fluctuations, which may materially affect its financial position and operating results.

Current Economic Conditions
There are significant uncertainties regarding the price of precious metals and other minerals and the availability of equity financing for the purposes of mineral exploration and development. The prices of precious metals and other minerals have fluctuated substantially over the past several years. The Company's future performance is largely tied to the development of its current mineral properties and the overall financial markets. Current financial markets are likely to be volatile for the remainder of the calendar year, reflecting ongoing concerns about the stability of the global economy and global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets for commodities other than gold. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Limited Operating History
The Company has a very limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. It is common in new mining operations to experience unexpected problems and delays. In addition, delays in the commencement of mineral production often occur. There is no assurance that the Company will be successful in achieving a return on shareholders' investment or successfully establish mining operations and the likelihood of success must be considered in light of its early stage of operations.

Reliability of Resource Estimates
There is no certainty that any mineral resources identified in the future on any of the Company's properties will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of

mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition from time to time.

Insurance and Uninsured Risks

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, 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 may in the future maintain insurance to protect against certain risks in such amounts as it considers to be 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 which may not be insured against or which the Company 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.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently, and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

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

Land Title
No assurances can be given that there are no title defects affecting property or any other property interests of the Company. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds an interest and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition
The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire additional attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital
The development and exploration of the Company's properties will require substantial additional financing.

Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. The primary source of funding available to the Company consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices
The price of the Company's common shares, the Company's financial results and exploration, development and mineral development activities may in the future be significantly adversely affected by declines in the price of precious metals or other minerals. The price of precious metals and other minerals fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and

carrying charges. Future serious price declines in the market value of precious metals or other minerals could cause continued development of and commercial production from the Company's properties to be impracticable. Depending on the price of precious metals and other minerals, cash flow from mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mineral exploration properties is dependent upon the prices of precious metals and other minerals being adequate to make these properties economic.

In addition to adversely affecting the Company's future resource or reserve estimates, if any, and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not otherwise be applied in a manner which could limit or curtail production or development in any of the jurisdictions in which the Company operates. Amendments to other current laws and regulations governing mineral exploration and development or more stringent implementation thereof could also have a substantial adverse impact on the Company.

Dividend Policy

No dividends on the common shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

Dilution to the Company Common Shares

As of March 8, 2017, the Company had 25,290,095 common shares and 10,120,200 convertible securities issued and outstanding. The increase in the number of securities issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional securities, the voting power of the existing shareholders in the Company will be diluted.

Key Executives

The Company is dependent on the services of key executives, including the directors of Murchison and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Murchison should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Murchison and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Canada Business Corporations Act and other applicable laws.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on the Company's current expectations. Forward-looking information can often be identified by forward looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. Readers are cautioned not to place undue reliance on forward-looking information.