



**ATAC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
for the Three Months ended March 31, 2017
(including any Subsequent Events to May 12, 2017)**

The following discussion and analysis of the results of operations and financial condition of ATAC Resources Ltd. (“ATAC”) for the three months ended March 31, 2017 should be read in conjunction with ATAC’s unaudited consolidated interim financial statements and related notes for the three months ended March 31, 2017 and the audited consolidated financial statements and related notes for the twelve months ended December 31, 2016. The ATAC financial statements are prepared in accordance with the International Financial Reporting Standards (“IFRS”).

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this Management Discussion and Analysis (“MD&A”), is complete and reliable.

The ATAC financial statements, MD&A and all other continuous disclosure documents are filed with Canadian securities regulators and are available for review under the ATAC Resources Ltd. profile at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by ATAC’s use of certain terminology, including “will”, “may”, “expects”, “should”, “anticipates” or “intends” or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause ATAC’s actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are statements that are not historical facts and include but are not limited to: estimates and their underlying assumptions; statements regarding plans; objectives and expectations with respect to the effectiveness of ATAC’s business model; future operations; products and services; the impact of regulatory initiatives on ATAC’s operations; the size of and opportunities related to the market for ATAC’s products; general industry and macroeconomic growth rates; expectations related to possible joint or strategic ventures; and statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of ATAC. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the actual results may vary materially from those expected, estimated or projected. ATAC undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Given these uncertainties, the reader of the information included herein is cautioned not to place undue reliance on such forward-looking statements.

DESCRIPTION OF BUSINESS

ATAC is in the business of exploring for metals and minerals with a particular emphasis on gold. It does not own interests in any producing mines. At present, management is concentrating most of its efforts on its wholly-owned Rackla Gold project in central Yukon. See “Exploration and Property Transactions” for additional information.

OVERALL PERFORMANCE

As of May 12, 2017, ATAC had no debt and had working capital in excess of its anticipated expenditures for 2017. Such expenditures include costs related to administrative overhead and future exploration programs. See “Risks and Uncertainties” for additional information.

The focus of most of ATAC’s human and financial resources is the Rackla Gold project and the included geological trends (the “Rau project” and the “Nadaleen Trend”). See “Exploration and Property Transactions” for additional information.

SELECTED ANNUAL INFORMATION

	December 31, 2016	December 31, 2015	December 31, 2014
Revenues	Nil	Nil	Nil
Net (Loss)	(\$663,155)	(\$1,791,192)	(\$2,490,325)
Net (Loss) per Share - Basic and Diluted	(\$0.00)	(\$0.02)	(\$0.02)
Total Assets	\$113,163,451	\$109,390,324	\$110,195,593
Total Long-term Financial Liabilities	Nil	Nil	Nil
Cash Dividends Declared per Share	Nil	Nil	Nil

Total assets increased from 2015 to 2016 mainly due to proceeds received from equity financings, which have been used for the most part to fund property acquisitions and exploration expenditures, both of which are capitalized.

SUMMARY FINANCIAL INFORMATION (for the eight quarters ended March 31, 2017)

The following table shows the results for the last quarter compared to those from the previous seven quarters.

Period Ending	Revenues	Net Income (Loss)	Net Income (Loss) per Share
March 31, 2017	Nil	\$365,458	\$0.00
December 31, 2016	Nil	(\$17,317)	(\$0.00)
September 30, 2016	Nil	\$56,568	\$0.00
June 30, 2016	Nil	(\$540,839)	(\$0.00)
March 31, 2016	Nil	(\$161,567)	(\$0.00)
December 31, 2015	Nil	(\$232,155)	(\$0.00)
September 30, 2015	Nil	(\$592,606)	(\$0.00)
June 30, 2015	Nil	(\$759,497)	(\$0.01)

RESULTS OF OPERATIONS

ATAC is an exploration stage company and has no operating revenues from mines. Most of its expenditures are exploration related and are capitalized (not accounted as operating expenses). The variations in losses from quarter to quarter over the previous eight financial quarters are largely attributable to variations in share-based payments, gains or losses on sale or option of mineral properties and gains or losses on marketable securities.

The net income for the quarter ended March 31, 2017 compared to the net loss for the quarter ended March 31, 2016 is largely due to an increase in the value of marketable securities.

LIQUIDITY AND CAPITAL RESOURCES

(a) Working Capital

As of March 31, 2017, working capital totalled \$15,996,572 compared to \$15,193,714 at March 31, 2016.

(b) Private Placement

As part of a series of concurrent transactions involving Barrick Gold Corp. (“Barrick”), ATAC closed a 16,684,800 flow-through share private placement on May 3, 2017. See “Orion Project” for additional information on concurrent transactions.

The 16,684,800 flow-through shares were sold at a price of \$0.50, for gross proceeds of \$8,342,400. The flow-through shares formed part of a donation arrangement structured by PearTree Securities Inc. through which Barrick was the ultimate owner of the ATAC shares.

Following the completion of the placement, the issued and outstanding share capital of ATAC was 139,556,877 common shares, of which Barrick holds approximately 19.9 percent, on a non-diluted basis. No finder's fees were paid in respect of the placement.

Proceeds from the sale of the flow-through shares will be used by ATAC to incur eligible Canadian exploration expenses at its Rackla gold property in central Yukon. The flow-through shares are subject to a hold period expiring on September 4, 2017.

As a condition of the placement, Barrick was granted the right to maintain its pro rata ownership percentage in ATAC. This right will entitle, but not obligate Barrick to participate in any future equity financings by ATAC to the extent necessary for Barrick to maintain a 19.9 percent equity interest in ATAC, on a non-diluted basis.

(c) Equity Portfolio

As of May 12, 2017, ATAC owned marketable securities of other publicly traded junior resource companies with a total market value of approximately \$1.52 million. These securities were acquired by ATAC pursuant to various property option or sales agreements. See “Risks and Uncertainties” and “Forward Looking Statements” for additional information.

OFF-BALANCE SHEET ARRANGEMENTS

ATAC does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES**1. Management**

During the quarter ended March 31, 2017, legal fees and disbursements totalling \$13,253 were paid to a personal law corporation controlled by Glenn R. Yeadon, a director and Secretary of ATAC, compared to \$19,900 paid during the quarter ended March 31, 2016.

During the quarter ended March 31, 2017, accounting fees and disbursements totalling \$8,750 were paid to Donaldson Grassi, Chartered Professional Accountants, a firm in which ATAC’s Chief Financial Officer Larry Donaldson is a partner, compared to \$8,750 paid during in the quarter ended March 31, 2016.

During the quarter ended March 31, 2017, consulting fees totalling \$10,500 were paid to Douglas O. Goss Professional Corporation, a private company controlled by Douglas O. Goss, a director and the Chairman of ATAC, compared to \$10,500 paid during the quarter ended March 31, 2016.

During the quarter ended March 31, 2017, consulting fees totalling \$10,500 were paid to Ian Talbot, ATAC's Chief Operating Officer compared to \$10,500 paid to Talbot in the quarter ended March 31, 2016.

During the quarter ended March 31, 2017, no consulting fees were paid to Carvest Holdings Ltd., a private company controlled by Robert Carne, a technical advisor to and a director of ATAC, compared to \$4,675 paid during the quarter ended March 31, 2016.

Pursuant to the terms of a September 1, 2016 employment agreement, Graham Downs, the President and Chief Executive Officer of ATAC became an employee of the company. During the quarter ended March 31, 2017, salary in the amount of \$60,274 was paid to Graham Downs. Prior to September 1, 2016, Graham Downs was an employee of Archer Cathro and charges for his services were billed directly to ATAC by Archer Cathro.

2. Archer, Cathro & Associates (1981) Limited

During the quarter ended March 31, 2017, \$258,762 in property location, acquisition, exploration, management, office rent and administration costs were billed by Archer, Cathro & Associates (1981) Limited ("Archer Cathro"), compared to \$326,219 billed by Archer Cathro for the quarter ended March 31, 2016.

Included in the \$326,219 paid to Archer Cathro for the quarter ended March 31, 2016, was \$38,062 paid to Graham Downs by Archer Cathro as salary for the three month period.

Archer Cathro is a geological consulting firm with offices in Vancouver and Squamish, British Columbia and Whitehorse, Yukon. Douglas Eaton is the President of Archer Cathro and is the President, Chief Executive Officer and a director of Strategic Metals Ltd., one of ATAC's larger shareholders. Julia Lane is the Vice President of Exploration of ATAC and is the managing director and a shareholder of Archer Cathro.

Douglas Eaton and Julia Lane are not employees or directors of ATAC and do not receive any salary, bonuses or benefits directly from ATAC other than by way of incentive stock options as a consultants. Both receive indirect compensation from ATAC through their interests in Archer Cathro. This indirect compensation depends on Archer Cathro's profitability and is highly variable based on the cyclical nature of the mineral exploration industry. Archer Cathro's profits are only partially derived from ATAC's exploration activities and are strongly influenced by the amount of work it does on behalf of other companies and the capital outlays it must make to sustain its business.

Archer Cathro does not: (i) own any ATAC shares or warrants; or (ii) hold any interests or royalties relating to any of the ATAC mineral properties. The majority of the ATAC mineral properties are registered in the name of Archer Cathro and are held by Archer Cathro as bare trustee for ATAC under the terms of a trust indenture. In addition to holding legal title to

mineral properties for ATAC, Archer Cathro provides the following administrative services related to the ATAC mineral properties: (i) mineral tenure management; (ii) the filing of annual assessment reports; and (iii) the management of land use approvals (exploration permits).

ATAC has no contractual obligation to use Archer Cathro's exploration or administrative services and Archer Cathro's continued engagement depends entirely upon the approval of the ATAC board of directors. Exploration and administrative activities conducted by Archer Cathro are designed and monitored by the senior management of ATAC and are approved by the ATAC board of directors. Formulation of exploration programs begins with a review of previous exploration results and assessment needs by management, who then instruct Archer Cathro geologists to prepare draft exploration programs and budgets, which are submitted to management for review and, where necessary, revised before final proposals are taken to the ATAC board of directors for consideration and approval.

The exploration and administrative fees paid by ATAC to Archer Cathro are based on a schedule of fees prepared by Archer Cathro and agreed to in advance by ATAC. These fees are periodically reviewed by Archer Cathro and independent members of ATAC board of directors to ensure that the fees are commercially competitive based on industry standard rates.

Included in the fees paid to Archer Cathro for the period ended March 31, 2017 is rent for furnished space in Archer Cathro's Vancouver office. Office rental fees are charged on a month-to-month basis with no ongoing contractual obligation on the part of ATAC to continue to occupy its current office space. The monthly office rental paid by ATAC amounts to less than 20% of Archer Cathro's monthly lease costs for its Vancouver office. The rental payment also allows ATAC to use space in Archer Cathro's Squamish office and its Whitehorse office, warehouse and storage compound, at no additional cost to ATAC.

The ongoing relationship between Archer Cathro and ATAC includes access by ATAC to Archer Cathro's proprietary exploration data base. This data base has been assembled by Archer Cathro over its 50 years of operation. ATAC does not pay Archer Cathro for access to the data base and it is made available to ATAC on a voluntary, goodwill basis by Archer Cathro. Archer Cathro is paid for the time its geologists spend researching the data, but it and its geologists do not receive any cash bonuses, shares or royalty interests as compensation for access to the data base or for the identification of attractive exploration targets that result from the data base research. Most of ATAC's current mineral properties were staked or acquired on the basis of research done by Archer Cathro geologists.

RISKS AND UNCERTAINTIES

In conducting its business, ATAC faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land title, exploration and development, government and environmental regulations, permits and licenses, competition, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

(a) Title Risks

Although ATAC has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of ATAC's interests. Its claims, permits or tenures may be subject to prior unregistered agreements or transfers or to native land claims. Title to the claims, permits or tenures comprising ATAC's properties may also be affected by undetected defects. If a title defect exists, it is possible that ATAC may lose all or part of its interest in the property to which such defect relates.

(b) Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

(c) Environmental Regulations, Permits and Licenses

ATAC's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent.

(d) Competition

The mineral exploration industry is intensely competitive in all its phases, and ATAC competes with other companies that have greater financial and technical resources. Competition could adversely affect ATAC's ability to acquire suitable properties or prospects in the future.

(e) Fluctuating Metal Prices

Factors beyond the control of ATAC have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of ATAC's exploration projects and ATAC's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

(f) Future Financings

ATAC's continued operation will be dependent in part upon its ability to generate operating revenues and to procure additional financing. To date, ATAC has done so through equity financing.

Fluctuations of global equity markets can have a direct effect on the ability of exploration companies, including ATAC, to finance project acquisition and development through the equity markets. There can be no assurance that funds from ATAC's current income sources can be generated or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause ATAC to postpone exploration or development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

(g) Price Volatility of Publicly Traded Securities

During recent months, global investors have shifted more attention to precious metals and the market prices of securities of some mineral exploration companies have risen. However, mineral exploration activities remain at low levels and share prices could fall again if metal demand decreases. There can be no assurance that market prices for securities of mineral exploration companies will continue to improve in the short or intermediate term.

CRITICAL ACCOUNTING ESTIMATES AND FINANCIAL INSTRUMENTS

ATAC prepares its financial statements in conformity with IFRS. ATAC lists its significant accounting policies and its financial instruments in Notes 2 and 13, respectively, to its annual audited consolidated financial statements for the twelve months ended December 31, 2016. Of the accounting policies, ATAC considers the following policy to be the most critical to the reader's full understanding and evaluation of ATAC's reported financial results.

Deferred Exploration Costs

ATAC is in the exploration stage with respect to its investment in natural resource properties and accordingly follows the practice of capitalizing all costs related to each exploration project, until such time as the project is put into commercial production, sold or abandoned. Management reviews capitalized costs on its mineral properties for signs of impairment both quarterly and annually and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from production on the property or proceeds from the sale or option of the property.

MANAGEMENT AND BOARD OF DIRECTORS

There were no changes to the ATAC management or board of directors during the three months ended March 31, 2017.

INVESTOR RELATIONS

All investor relations functions are performed by ATAC management. Vanessa Pickering is the Manager of Corporate Communications. Ms. Pickering is an employee of Archer Cathro and the only direct remuneration she receives from ATAC is by way of stock options.

EXPLORATION AND PROPERTY TRANSACTIONS

The primary focus of ATAC is the exploration and development of the Rackla Gold property. Although no longer considered core business assets, ATAC continues to hold interests in a number of other mineral properties outside of the Rackla Gold property.

1. Rackla Gold Property

ATAC's Rackla Gold property is located in the Mayo Mining District of central Yukon. The approximate centre of the project area is 100 km northeast of Keno City. The Rackla Gold property area is comprised of 8,723 mineral claims and covers an east-west extending land package approximately 185 km long by 15 km wide and covers an area of approximately 1,700 km². ATAC has acquired the claims through its own staking for the purpose of covering the projected extensions of the favourable geology underlying the Rackla Gold property.

The Rackla Gold property lies within a zone of regional-scale thrust faults, which imbricate basal sediments and platform carbonate rocks. The thrust panel that contains the Rackla Gold property approximately straddles the boundary between Selwyn Basin and Mackenzie Platform and contains units belonging to both tectonic elements. ATAC has carried out an aggressive geochemical sampling and prospecting program over most of the property to evaluate areas of future exploration focus.

From east to west, the Rackla Gold property has been divided into three separate project areas: (a) the Osiris project, which hosts the Conrad, Osiris, Sunrise and Ibis Carlin-type gold zones; (b) the Orion Project, which is subject to an earn-in agreement with Barrick; and (c) the Rau Project, which hosts the Tiger Gold Deposit. Each of the three projects is discussed below.

The gold mineralization identified to date in both the Osiris and Orion project areas is generally characterized by fine-grained pyrite, realgar and orpiment which appear to be the primary minerals associated with gold. The mineralization occurs in limestone debris flows and turbidite deposits characteristic of an offshore sedimentary environment. The mineralogy, chemistry and geological setting of both the Osiris and Orion project areas are characteristic of Carlin-type mineralization.

(a) Osiris Project

The Osiris project is located at the eastern end of the Rackla Gold property. Gold mineralization in the Osiris project area was first discovered in July of 2010 at the Osiris gold showing. Since 2010, ATAC has identified four mineralized zones within the Osiris property area: (i) Osiris; (ii) Ibis; (iii) Conrad; and (iv) Sunrise. Each of these zones is summarized below.

(i) Osiris Zone

Gold mineralization at the Osiris Zone is hosted by neoproterozoic carbonate rocks that are folded into a southerly plunging anticline and occurs in the form of narrow stylolites, stockworks and disseminations of fine grained pyrite associated with realgar and orpiment (both are arsenic sulphide minerals) accompanied by decarbonization, silicification and peripheral calcite flooding. The discovery has been traced for an 800 m strike length on both limbs of the fold.

The strongest mineralization occurs within a 40 m wide zone that lies along the fold axis near the crest of the anticline.

Drill campaigns from 2010 through 2012 tested two distinct structural settings for Carlin-type gold mineralization: (i) the steeply dipping west limb of the anticline; and (ii) the near-surface mineralization in the south-dipping east limb. Assay results from all Osiris drilling to date can be viewed on ATAC's website at www.atacresources.com.

(ii) Ibis Zone

The Ibis Zone is located approximately 500 m southwest of the Osiris zone. Gold mineralization here is stratabound and is localized in the same southerly plunging anticlinal structural setting that hosts the Osiris zone. The style of mineralization in the two zones is very similar, with the best gold grades occurring at or near the contact between silty limestone and overlying dolostone. The axial crest of the anticline contains the widest and best mineralized intervals.

Mineralization has been intersected over an unfolded strike length of 200 m to the current maximum depth of 400 m below surface. The mineralized area remains open to expansion to depth. Two soil geochemical anomalies located to the east and west of the currently drilled areas that have not been fully-tested.

Results from all Ibis zone drilling to date can be viewed on ATAC's website at www.atacresources.com.

(iii) Conrad Zone

The Conrad zone is the most advanced zone within the Osiris project area. To date a total of 43,433 m of drilling in 108 holes has been completed.

Carlin-type mineralization at the Conrad zone is contained within three structural and stratigraphic settings. In the Conrad upper zone, gold mineralization occurs along the stratigraphic contact between limestone and an overlying pyritic siltstone cap unit where the thickest mineralization occurs along the crest of an anticlinal fold. The upper zone has been continuously traced by shallow drilling over a strike length of 800 m. Mineralization in the upper zone remains open along strike.

Mineralization at the Conrad middle zone is characterized by strong alteration and mineralization within multiple stacked, flat-lying bodies proximal to a laterally extensive, near vertical siltstone-limestone contact. Only 300 m of the presently known 800 m long favourable siltstone-limestone contact has been tested. Mineralization in the middle zone remains open along strike and at depth.

The Conrad lower zone is marked by two new significant gold intervals that returned gold values beneath the Conrad middle zone. Mineralization in the lower zone remains open along strike and at depth.

Results from all drilling at the Conrad zone can be viewed on ATAC's website at www.atacresources.com.

(iv) Sunrise Zone

The Sunrise zone is located 300 m east of the Osiris anticline hinge zone. Mineralization at Sunrise occurs as sub-parallel tabular bodies that dip steeply south. Gold mineralization at the Sunrise zone extends for a strike length of 215 m and remains open at depth.

Since the original discovery of the zone in 2012, a total of 4,328 m of drilling in 19 holes has been completed. Results from all drilling at the Sunrise zone can be viewed on ATAC's website at www.atacresources.com.

(b) **Orion Project**

The Orion project covers an area of 780 km² and occupies the central third of the Rackla Gold property. The project hosts the 18 km² Anubis cluster and contains the Orion and Anubis gold zones. The 18 km² geochemical footprint identified by ATAC in the Anubis area including peripheral occurrences of high-grade silver-lead-zinc and gold mineralization suggests the area has been exposed to a very large Carlin-type mineralizing event.

Geochemical anomalies occur in clusters in the Orion project area along a regional scale northwest-trending extensional fault system. Trenching and geochemical sampling has outlined a cumulative 8 km strike length of anomalous and potentially mineralized fault structure with well developed, gold bearing Carlin-type hydrothermal alteration in adjacent rocks.

A total of nine priority exploration targets have been identified for future drilling within the Orion project area, namely, the Anubis, Ana, Hydra, Draco, Dorado, Orion, Zodiac, Columba and Corona showings.

Results from all work carried out to date on the Orion project area can be viewed on ATAC's website at www.atacresources.com.

Barrick Transactions

By agreement dated April 7, 2017, ATAC entered into a number of transactions with Barrick consisting of a maximum investment by Barrick of \$63.3 million. The transactions included a staged option to Barrick to acquire up to a 70% interest in the Orion project and a donation structured private placement. Each of the transactions is summarized below:

(i) Earn-In and Joint Venture

Under the earn-in agreement dated April 7, 2017, (the "Option Agreement") ATAC granted Barrick a two staged option to acquire a 70% interest in the Orion project. Stage 1 of the earn-in requires Barrick to incur exploration expenditures of \$35-million over five years to acquire a 60% interest in the Orion project. Stage 1 expenditures include a \$10-million guaranteed exploration commitment over the first three years.

Under the terms of the earn-in agreement, one or more senior members of the Barrick exploration team will be seconded to the Orion project and provide technical assistance and expertise to ATAC.

Once Barrick has acquired a 60% interest in the project, ATAC and Barrick will form a joint venture. Under the joint venture Barrick will be granted the Stage 2 option to acquire an additional 10% interest in the Orion project by incurring an additional \$20 million in exploration expenditures on the project. If Barrick does not exercise its right to acquire the additional 10% in the joint venture, ATAC will have the right to purchase a 10.1% interest in the project from Barrick, resulting in ATAC and Barrick joint venture interests of 50.1 per cent and 49.9 per cent, respectively.

If either of ATAC's or Barrick's joint venture interest is reduced to 10% or less, that party's interest in the Orion project will convert to a sliding-scale net smelter return royalty on gold. The royalty will be adjusted for changes in gold price and cumulative gold production from the Orion project. The net smelter return royalty will range from 1% to 3% with no buyout provision.

Each stand-alone gold deposit within the Orion project area will be subject to the same sliding scale net smelter return royalty, but the cumulative gold production amount will be reset to zero for each new deposit. Silver will be subject to a 2% fixed net smelter return royalty, and all other commodities will be subject to a 1% fixed net smelter return royalty. Neither of the fixed royalties will have a buyout.

(ii) Private Placement

Included in the transactions with Barrick was a donation structured private placement of 8.3 million. See "Liquidity and Capital Resources" for additional information. The proceeds from the private placement will be used by ATAC to partially finance the \$10 million 2017 exploration program at the Osiris and Rau projects, which are not subject to the Barrick earn-in agreement.

(c) **Rau Project**

The Rau project lies at the western end of the 185 km long Rackla Gold Project and consists of a 22 kilometre long geophysically and geochemically anomalous trend extending north westerly from the 63 million year old felsic Rackla Pluton. The trend hosts the Tiger Deposit as well as the Ocelot silver-lead-zinc discovery. Limited work conducted along trend of the Tiger Deposit since 2008 has led to the discovery of ten additional sediment hosted gold targets (Airstrip, Bengal, Caracal, Cheetah, Condor, Cougar, Jaguar, Panther, Puma and Serval), five gold+/- copper +/- tungsten skarn targets (Bobcat, Kathy, Hogsback, Ridgecrest and Flat Top) and numerous untested gold, gold-pathfinder and silver-lead-zinc anomalies.

Mineralization at the Rau project occurs within a highly prospective geological setting, situated between the regional scale Dawson and Kathleen Lakes fault zones. Mineralization styles within the Rau project are diverse and likely directly related to a broad hydrothermal mineralizing system centered around the Rackla Pluton, located 3 km southeast of the Tiger Deposit.

(i) Tiger Deposit

The Tiger Deposit is located approximately 55 km northeast of Keno City, Yukon. Current access is by air via a 2,500 foot airstrip located 8 km from the deposit.

The Tiger Deposit is a thick north-westerly trending body of carbonate-replacement style gold mineralization hosted by a moderately northeast dipping karsted limestone horizon. On June 14, 2016, ATAC filed an updated preliminary economic assessment report for the Tiger Deposit entitled “Technical Report and Preliminary Economic Assessment For The Tiger Deposit, Rackla Gold Project, Yukon Territory, Canada” (the “2016 PEA”) with Canadian securities regulators. A full copy of the 2016 PEA can be viewed under the ATAC profile on SEDAR (www.sedar.com).

The highlights from the 2016 PEA are summarized below:

- The 2016 PEA was completed using a base case gold price of US\$1,250/oz and a currency exchange rate of US\$0.78 equal to CA\$1.00 (unless specified otherwise, all values are shown in Canadian dollars);
- Net present value (“NPV”)_(5%) of \$106.6 million and an internal rate of return (“IRR”) of 34.8% before tax, and an NPV_(5%) of \$75.7 million and an IRR of 28.2% after tax, with an all-in sustaining cost of US\$864/oz;
- The 2016 PEA extends the mine life from 4 years to 6.2 years, more than doubles the pre-tax NPV_(5%) and increases the pre-tax IRR by 4.8%;
- Approximately 302,307 ounces of gold produced at an average undiluted grade of 3.81 g/t gold;
- Total project life increases to approximately 9 years, including 1 year of construction and pre-stripping followed by 6 years of owner-operated open-pit mining and 2 years of reclamation; and,
- Pre-production capital cost of \$109.4 million and life-of-mine (“LOM”) sustaining capital costs totaling \$8.3 million.

For a more detailed discussion related to all aspects of the 2016 PEA, the reader is referred to the ATAC MD&A document for the twelve months ended December 31, 2016, as filed with Canadian securities regulators on March 30, 2017 under the ATAC Resources Ltd. profile at www.atacresources.com.

Tiger Tote Road

Permitting and Consultation

Access to the Rau project and Tiger Gold Deposit, 55 km northeast of Keno City, would be by means of a tote road. The proposed tote road would branch off the Hanson Lake Road west of Keno City and is envisioned as a gated, single-lane (5 m wide) and radio-controlled road suitable for vehicles that support advanced exploration at the Tiger Deposit and throughout the Rau project. The total length of the tote road would be approximately 68 km and would consist of 51 km of new road and 17 km of upgraded pre-existing winter road.

ATAC is currently working through the permitting process related to the building of the tote road. Discussions related to access and the development of the Tiger Deposit with the First Nation of Na Cho Nyak Dun (“NNDFN”), local communities and other interested parties has been ongoing for more than seven years. Discussions in 2016 have included several town meetings in Mayo and Keno City to present the tote road proposal. Details of this consultation can be found on ATAC’s website.

Environmental and Community Engagement

Since 2008, ATAC has completed comprehensive water, heritage, wildlife and fisheries studies related to the tote road permitting and consultation process. ATAC will continue environmental baseline work and ongoing studies as it advances the Tiger Deposit and other targets throughout the Rackla Gold Project.

Community and First Nation engagement began in 2008, and an Exploration Cooperation Agreement with the NNDFN was signed in 2010. This Exploration Cooperation Agreement provides a framework within which exploration activities and environmental regulatory process on ATAC’s Rackla Gold Project have been and will continue to be carried out. The Rackla Gold Project lies exclusively within the Traditional Territory of the NNDFN.

(ii) Airstrip Anomaly

The Airstrip anomaly was identified in 2015 through soil sampling with further sampling in 2016 increasing the size of the Airstrip gold-in-soil anomaly from 10 km² to 11.5 km². The anomaly remains open to the north, south and west.

A program of rotary air blast (“RAB”) drilling, prospecting and geological mapping at the Airstrip anomaly was completed in 2016. The RAB drilling included seven shallow holes at two priority Airstrip targets. Near-surface gold mineralization was encountered at both targets and is hosted in a favourable, variably calcareous siltstone unit. Outcrop exposure is limited across the Airstrip anomaly and nine additional targets remain to be tested in the future. An updated Airstrip anomaly map and the results of the RAB drilling can be viewed on the ATAC website (www.atacresources.com).

(iii) Tiger East Exploration

The Tiger East exploration area is located in an area of anomalous gold-in-soil responses, 125 m south of the proposed Tiger deposit open pit. In 2016, twenty-one oxide float composite grab samples were collected over a 150 m long area upslope of the east end of the Tiger Deposit. Ten of these samples returned values greater than 1 g/t gold. Assay values ranged from below detection up to 18.30 g/t gold.

The identification of a new area of high-grade, at-surface oxide gold mineralization is a significant exploration development for the Tiger area. Follow-up trenching and diamond drilling is warranted to determine if this mineralization could complement the current Tiger Deposit mineral resource as contained in the 2016 PEA.

(iv) Ocelot Zone

In 2010 ATAC made a significant silver-lead-zinc-indium discovery at the Ocelot target located in the western portion of the Rau project. It is situated in lowlands 1.5 km west of the Wind River Winter Road and 15 km northwest of the Tiger Deposit.

A total of 4,918 m in 24 holes was drilled at Ocelot during 2010 and 2011. Mineralization consists of medium to coarse grained pyrite and varying concentrations of low iron sphalerite and medium to coarse grained galena. Sulphide mineralization occurs within a steeply dipping northeast trending fault that cuts an extensive dolomite sequence locally exhibiting structural and fluidized breccias. Drilling to date has identified mineralization over a 230 m strike length and to a depth of 150 m. Mineralization remains open downdip and possibly along strike to the northeast.

In 2012, ATAC completed geophysical and geochemical surveys on the Ocelot target. No subsequent exploration has been carried out on the Ocelot Zone since 2012. A summary of assays from the drilling to date at the Ocelot Zone is available on ATAC's website at www.atacresources.com.

2017 Exploration Program

The proposed exploration program for 2017 has been budgeted at approximately \$10 million and will include 13,000 m of diamond drilling and 2,000 m of RAB drilling. The multi-phase program will focus on or expand high grade gold mineralization at existing zones within the Osiris and Rau project area. All 2017 work in the Orion project area will be funded by Barrick. Field programs are expected to begin in late May of 2017.

2. Dawson Gold Joint Venture

On August 19, 2016, ATAC sold its 50% interest in the Dawson Gold joint venture (the "Joint Venture") to Arcus Development Group Inc. ("Arcus"). Formed in 2012, the Joint Venture contained four mineral properties: the Dan Man, Touleary, Green Gulch and Shamrock. All four properties are located in the White Gold District of west-central Yukon with the Dan Man sharing its southern property boundary with Goldcorp Inc.'s Coffee Gold Project.

As consideration for ATAC's 50% interest in the four Joint Venture properties, Arcus issued ATAC 10,869,910 common shares and 5,000,000 share purchase warrants. The warrants entitle ATAC to purchase an additional 5,000,000 Arcus common shares at a price of \$0.20 per share at any time prior to August 19, 2021. ATAC also retained a 1% net smelter return royalty interest in any future production from any of the four properties.

Following the completion of the transaction, ATAC held 19.99% of the issued Arcus share capital. As a condition of the 5,000,000 share purchase warrants, ATAC provided both Arcus and the TSX Venture Exchange (the "Exchange") with an undertaking that ATAC may not exercise warrants if doing so will result in ATAC holding 20% or more of the issued Arcus share capital following the exercise of any of the warrants.

3. Rosy Property

ATAC holds a 100% interest in the Rosy property which covers a large system of gold-silver veins located in the Whitehorse Mining District of southern Yukon. Property-wide, helicopter-borne VTEM and magnetic surveys were flown during 2007 and soil geochemical surveys, prospecting and geological mapping were conducted in July 2008. This work identified two main areas of vein mineralization and a number of gold-in-soil anomalies.

ATAC carried out further soil sampling and prospecting in 2009 and identified additional weakly mineralized veins. In July 2010 Bonaparte Capital Corp. (“Bonaparte”) conducted a two hole, 263 m diamond drill program. Results were disappointing and Bonaparte terminated its option on the property in December 2010. A small prospecting program was carried out in the early summer of 2016 and partially funded through the Yukon Mineral Exploration Program.

4. Connaught Property

The Connaught property is owned 100% by ATAC and is located in the Dawson Mining District in west-central Yukon. It lies immediately south of the Sixtymile placer gold camp, approximately 65 km west of Dawson City.

The property hosts a number of silver-lead-gold veins within a 13 by 5 km area of anomalous soil geochemical response which approximately coincides with a pronounced magnetic high. Although the area has good road access, follow-up work has been limited to trenching and a few drill holes along lightly vegetated ridge tops. Where exposed, the veins are typically 0.3 to 2 m wide and grade 100 to 2,000 g/t silver with 0.3 to 2 g/t gold and 3 to 60% lead. A 218 tonne bulk sample test completed by a previous operator in 2011 averaged 2,228.5 g/t silver and 60% lead.

No work was conducted in 2016.

5. Panorama Property

ATAC holds a 100% interest in the Panorama property which consists of 36 mineral claims located in Dawson Mining District of west-central Yukon. The property is a bulk-tonnage gold prospect modelled on the former Brewery Creek Mine, 15 km to the west.

No work was conducted in 2016.

6. Idaho Creek Property

In 2006 ATAC staked the 58 claims comprising the Idaho Creek property in the Whitehorse Mining District in west-central Yukon. The property hosts gold and silver mineralization, geophysical anomalies and extensive soil geochemical anomalies, some of which were drill tested in 2006 and 2007 under the terms of an option agreement that was terminated in November 2007. Drill results were generally disappointing and accumulated costs were written-off by ATAC.

The property was held under option by a third party during the period January 2010 through November 2014. Work in 2015 consisted of a helicopter borne geophysical survey. No work was conducted in 2016.

TECHNICAL REVIEW

Technical information disclosed in this MD&A has been reviewed by Julia Lane, B.Sc., P. Geo., a qualified person for the purposes of National Instrument 43-101. Julia Lane is a geological consultant to and the Vice President of Exploration of ATAC.

SUBSEQUENT EVENTS

By agreement dated April 7, 2017, ATAC granted Barrick an option to acquire an interest in the Orion project. See “Orion Project” for additional information.

On May 3, 2017, ATAC closed an \$8.3 million donation structured flow-through private placement. See “Liquidity and Capital Resources” for additional information.

On May 8, 2017, ATAC announced the appointment of Ed Cope as a technical adviser and member of the company’s technical committee. Prior to his retirement at the end of 2016, Mr. Cope was the vice-president of exploration for North America with Barrick Gold Corp.

SHARE CAPITAL INFORMATION

Shares

The authorized share capital of ATAC consists of the following classes of shares:

- (a) an unlimited number of common shares without par value; and
- (b) an unlimited number of Class A preferred shares with a par value of \$1.00 each.

As of May 12, 2017, there were 139,566,877 ATAC common shares issued and outstanding.

Stock Options

As of May 12, 2017, ATAC had outstanding stock options to acquire 8,360,000 common shares as follows:

Number of Options Outstanding	Exercise Price	Expiry Date
1,830,000	\$1.80	January 29, 2018
2,155,000	\$0.75	February 3, 2019
1,760,000	\$0.75	January 23, 2020
2,365,000	\$0.31	January 21, 2021
250,000	\$0.76	June 7, 2021
8,360,000		

Warrants

As of May 12, 2017, ATAC had no outstanding warrants to acquire common shares.

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CORPORATE INFORMATION

Douglas O. Goss, Q.C., Edmonton, Alberta	Chairman of the Board and Director
Glenn R. Yeadon, Vancouver, B.C.	Secretary and Director
Robert C. Carne, Burnaby, B.C.	Director
Bruce J. Kenway, Calgary, Alberta	Independent Director
Bruce A. Youngman, Powell River, B.C.	Independent Director
Don Poirier, West Vancouver, B.C.	Independent Director
Graham N. Downs, Squamish, B.C.	President and Chief Executive Officer
Ian J. Talbot, North Vancouver, B.C.	Chief Operating Officer
Larry B. Donaldson, Port Moody, B.C.	Chief Financial Officer
Julia Lane, Vancouver, B.C.	Vice President of Exploration

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