



**ATAC RESOURCES LTD.  
MANAGEMENT DISCUSSION AND ANALYSIS  
for the Three Months ended March 31, 2014  
(including any Significant Subsequent Events to May 15, 2014)**

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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, 2014 should be read in conjunction with ATAC’s unaudited interim consolidated financial statements and related notes for the three months ended March 31, 2014 and the audited consolidated financial statements and related notes for the twelve months ended December 31, 2013, which 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 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](http://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. Forward-looking statements in this MD&A are not a prediction of future events or circumstances and those future events or circumstances may not occur. 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 operations. At present, management is concentrating most of its efforts on its wholly owned Rackla Gold project in central Yukon. See “Research, Exploration and Property Transactions” for additional information.

### **OVERALL PERFORMANCE**

As of May 15, 2014, ATAC had no debt and had working capital in excess of its anticipated expenditures for 2014. 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 Trend” and the “Nadaleen Trend”). See “Research, Exploration and Property Transactions” for additional information.

### **SELECTED ANNUAL INFORMATION**

	December 31, 2013	December 31, 2012	December 31, 2011
Revenues	Nil	Nil	Nil
Net (Loss)	(\$2,814,918)	(\$7,468,607)	(\$24,828,755)
Net (Loss) per Share - Basic and Diluted	(\$0.03)	(\$0.08)	(\$0.26)
Total Assets	\$105,062,045	\$92,913,743	\$75,935,416
Total Long-term Financial Liabilities	Nil	Nil	Nil
Cash Dividends Declared per Share	Nil	Nil	Nil

Total assets have increased year over year mainly due to proceeds received from equity financings. For the most part, funds from such financings have been spent on property acquisition and exploration, which are capitalized.

### **SUMMARY FINANCIAL INFORMATION (for the eight quarters ended March 31, 2014)**

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

<b>Period Ending</b>	<b>Revenues</b>	<b>Net Income (Loss)</b>	<b>Net Income (Loss) per Share</b>
March 31, 2014	Nil	(\$190,576)	(\$0.00)
December 31, 2013	Nil	(\$335,500)	(\$0.00)
September 30, 2013	Nil	(\$869,020)	(\$0.01)
June 30, 2013	Nil	(\$1,286,611)	(\$0.01)
March 31, 2013	Nil	(\$323,787)	(\$0.00)
December 31, 2012	Nil	(\$1,804,332)	(\$0.02)
September 30, 2012	Nil	(\$240,701)	(\$0.00)
June 30, 2012	Nil	(\$472,131)	(\$0.00)

### **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 the sale of marketable securities.

Net loss decreased in the quarter ended March 31, 2014 compared to that in the quarter ended March 31, 2013 due mainly to a decrease in share-based compensation.

### **LIQUIDITY AND CAPITAL RESOURCES**

As of March 31, 2014, working capital totalled \$24,092,041 compared to \$26,417,138 at March 31, 2013.

On March 27, 2014 ATAC closed a 3,781,441 unit flow-through private placement. The price per unit was \$1.80. Each unit consisted of one flow-through common share and one-half of one non-flow-through share purchase warrant. Each whole warrant entitles the holder to purchase one ATAC common share at a price of \$2.70 at any time prior to March 27, 2015. In the event the weighted average price of ATAC's shares as traded on the TSX Venture Exchange exceeds

\$3.75 for a period of 10 consecutive trading days subsequent to July 29, 2014, ATAC may give notice of an earlier expiry of the warrants, in which case the warrants would expire 30 calendar days from the warrant holders receive such notice. Commissions related to the flow-through placement totalled \$408,395.63 and were paid to a syndicate of agents led by Macquarie Capital Markets Canada Inc. and including Raymond James Ltd. and Axemen Resource Capital Ltd.

As of May 15, 2014, ATAC owned marketable securities of other publicly traded junior resource companies with a total market value of approximately \$135,000. 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.

As at May 15, 2014, Agnico Eagle Mines Limited (“Agnico Eagle”) held 4,800,000 share purchase warrants issued as part of an ATAC private placement that closed on March 22, 2013. Each warrant entitles Agnico Eagle to purchase one additional ATAC common share at a price of \$2.10 until September 22, 2014.

As of May 15, 2014, Agnico Eagle also held 8.3% of ATAC’s issued and outstanding share capital on an undiluted basis (12.5% on a partially diluted basis if the warrants held by Agnico Eagle are included). Agnico Eagle also has the right to participate in certain subsequent equity offerings by ATAC on the same terms as other participants in order to maintain its pro-rata investment in ATAC. This participation right expires on March 23, 2015, provided Agnico Eagle owns more than five percent of the then issued and outstanding common shares of ATAC (taking into account convertible securities owned by Agnico Eagle).

On February 3, 2014, ATAC granted incentive stock options to its directors and officers, related company employees and consultants allowing them to purchase 2,330,000 shares at \$0.75 per share up to February 3, 2019. All of the options are subject to vesting conditions.

### **TRANSACTIONS WITH RELATED PARTIES**

During the quarter ended March 31, 2014, \$306,567 in property location, acquisition, exploration, management, office rent and administration costs were billed by Archer, Cathro & Associates (1981) Limited (“Archer Cathro”), compared to \$474,195 billed by Archer Cathro for the quarter ended March 31, 2013. Archer Cathro is a geological consulting firm with offices in Vancouver and Squamish, British Columbia and Whitehorse, Yukon. Archer Cathro is a related party based on its management contracts through which it may influence the operations of ATAC.

Included in the costs billed to ATAC by Archer Cathro for the quarter ended March 31, 2014, was \$34,000 in consulting fees paid to Robert Carne (“Carne”), the President and a director of ATAC compared to \$34,000 paid to Carne in the quarter ended March 31, 2013. The only direct remuneration Mr. Carne receives from ATAC is by way of stock options.

Included in the costs billed to ATAC by Archer Cathro during the quarter ended March 31, 2014, was \$34,500 in salary paid to Graham Downs (“Downs”), the Chief Executive Officer of ATAC compared to \$34,500 paid to Downs in the quarter ended March 31, 2013. The only direct remuneration Mr. Downs receives from ATAC is by way of stock options.

During the quarter ended March 31, 2014, legal fees and disbursements totalling \$47,939 were incurred with a personal law corporation controlled by Glenn R. Yeadon (“Yeadon”), a director and Secretary of ATAC, compared to \$31,748 incurred by Yeadon in the quarter ended March 31, 2013.

During the quarter ended March 31, 2014, accounting fees and disbursements totalling \$10,500 were incurred with Donaldson Grassi, Chartered Accountants (“Donaldson Grassi”), a firm in which ATAC’s Chief Financial Officer Larry Donaldson is a partner, compared to \$13,250 incurred with Donaldson Grassi in the quarter ended March 31, 2013.

During the quarter ended March 31, 2014, consulting fees totalling \$10,500 were paid to Douglas O. Goss Professional Corporation (“Goss P.C.”), a private company controlled by Douglas O. Goss, a director and Chairman of ATAC, compared to \$15,000 paid to Goss P.C. during the quarter ended March 31, 2013.

During the quarter ended March 31, 2014, consulting fees totalling \$10,062 were paid to Ian Talbot (“Talbot”), ATAC’s Chief Operating Officer compared to \$8,859 paid to Talbot in the quarter ended March 31, 2013.

## **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 years, global equity markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

### **CRITICAL ACCOUNTING ESTIMATES**

ATAC prepares its financial statements in conformity with IFRS. ATAC lists its significant accounting policies in Note 2 to the annual audited consolidated financial statements for the twelve months ended December 31, 2013. Of these 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 board of directors or management during the quarter ended March 31, 2014.

On April 14, 2014, the ATAC board of directors adopted a new shareholder rights plan, to be effective upon the termination of the existing shareholder rights plan at ATAC's 2014 annual general meeting, to be held on June 24, 2014. The new rights plan has been designed to encourage the fair and equal treatment of shareholders in connection with any take-over bid for ATAC's outstanding securities, and will provide the board of directors with additional time to assess the advantages and disadvantages of any particular offer, and to seek out alternative proposals in the best interests of all shareholders.

The new rights plan will essentially be a continuation of the shareholder rights plan adopted by ATAC on April 23, 2010, as ratified by its shareholders at the annual general and special meeting held on June 10, 2010 and as extended at the annual general and special meeting held on May 22, 2012.

The new rights plan is not being adopted in response to any specific proposal to acquire control of outstanding ATAC securities. The new rights plan will be similar to plans adopted by other Canadian companies and ratified by their shareholders. It is not the intention of the new rights plan to entrench management or prevent a change of control of ATAC to the detriment of shareholders. The new rights plan will not apply to take-over bids that meet certain requirements including that the bid be made by way of a take-over bid circular and be left open for at least 60 days to ensure that shareholders have an adequate opportunity to assess the merits of any such bid.

The new rights plan is subject to TSX Venture Exchange acceptance and ratification by ATAC shareholders at the June 24, 2014 annual general meeting. If ratified, the new rights plan will have an initial term which will expire at ATAC's annual general meeting in 2017. The new rights plan may also be reconfirmed and extended at that annual general meeting and at every third annual general meeting thereafter. If ratified as disclosed above, a copy of the new rights plan will be available for viewing on SEDAR and may also be obtained from ATAC subsequent to its 2014 annual general meeting of shareholders.

Effective May 31, 2013, the ATAC board of directors adopted an advance notice policy (the "Policy"), which requires advance notice to ATAC in circumstances where nominations of persons for election to the board of directors are made by shareholders of ATAC other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the Business Corporations Act (British Columbia) (the "Act"); or (ii) a shareholder proposal made pursuant to the provisions of the Act. The full text of the Policy is available under the ATAC profile at [www.sedar.com](http://www.sedar.com) or upon request by contacting ATAC.

## **INVESTOR RELATIONS**

All investor relations functions are performed by senior 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. See "Liquidity and Capital Resources" for additional information.

## **RESEARCH, EXPLORATION AND PROPERTY TRANSACTIONS**

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

### **1. Wholly-owned Properties**

#### **(a) Rackla Gold Project**

ATAC's wholly-owned Rackla Gold project 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 project area is comprised of over 8,000 mineral claims and covers an east-west extending land package approximately 185 km long by 15 km wide. With the addition of 499 additional claims staked in 2012, the property covers an area of approximately 1,700 km<sup>2</sup>. ATAC has acquired the claims through its own staking for the purpose of covering the projected extensions of the favourable geology in what is now referred to as the "Rackla Gold Belt".

The Rackla Gold Belt lies within a zone of regional-scale thrust faults, which imbricate basinal 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.

Within the Rackla Gold Belt, ATAC has identified what are referred to as: (i) the Rau Trend; and (ii) the Nadaleen Trend. Each is described in more detail below.

#### **(i) Rau Trend**

The Rau Trend consists of a 22 km long geophysically and geochemically anomalous trend extending north westerly from a high-level intrusive centre. The Tiger Deposit and the Ocelot Zone, each described in more detail below are both located within the Rau Trend.



In 2006 ATAC staked its initial Rau claims to cover a strong gold and tungsten stream sediment anomaly. Follow-up prospecting identified showings containing several metals, including gold and tungsten, within a broad thermal aureole developed around a high-level granitic intrusive complex of Early Tertiary age. During 2007, soil geochemical surveys, prospecting, mapping, and helicopter-borne VTEM and magnetic surveys were conducted. The highlight from that program was the discovery of a 600 m long by 150 to 300 m wide, gold-arsenic soil geochemical anomaly that contains values ranging from 100 to 11,700 ppb gold over backgrounds of less than 10 ppb. Drilling of that anomaly in 2008 resulted in the discovery of the Tiger Deposit.

### Tiger Deposit

At the Tiger Deposit, gold occurs with pyrite, arsenopyrite, pyrrhotite, bismuthinite and scheelite, which wholly or partially replace dolomitized limestone. Exploration in 2009 and 2010 focussed on the northwest half of the Tiger Deposit where complete oxidation of sulphide minerals is present to depths exceeding 285 m from surface. Drilling prior to 2010 identified three mineralized units that are stacked about 60 m apart. The middle unit, known as the “Discovery Horizon”, was the principal focus of exploration activity from 2008 to 2010.

The Discovery Horizon has been traced about 650 m along strike, ranging from about 15 to 96 m thick. Typically it contains sections that grade in excess of 3 g/t gold, which are surrounded by lower grade material. The mineralization exhibits excellent lateral continuity. The best oxide intercept to date averaged 24.07 g/t gold over 28.04 m, while the best sulphide interval graded 4.04 g/t gold over 96.01 m. The Discovery Horizon remains open along strike in both directions and downdip to the northeast. The potential of other stacked horizons has only been partially assessed.

Drilling from 2008 to 2010 consisted of 133 holes totalling 26,166 m. No diamond drilling was carried out in the 2011, 2012 and 2013 field seasons. Preliminary cyanide tests of oxide mineralization from the Discovery Zone have been completed and systematic metallurgical testing of oxide mineralization is on-going on material collected by auger drilling in 2013.

On October 20, 2011 ATAC announced the completion of a NI 43-101 compliant resource estimation for the Tiger Deposit. At a cut-off grade of 0.30 g/t gold, the estimated Tiger Deposit oxide plus sulphide resources are:

- Indicated: 508,000 ounces gold (7,150,000 tonnes at an average grade of 2.21 g/t)
- Inferred: 290,200 ounces gold (8,280,000 tonnes at an average grade of 1.09 g/t)

Of particular significance is the near-surface high-grade oxide mineralization. At a cut-off grade of 1.60 g/t gold, the estimated Tiger Deposit oxide resources are:

- Indicated: 337,500 ounces gold (2,470,000 tonnes at an average grade of 4.25 g/t)
- Inferred: 17,400 ounces gold (180,000 tonnes at an average grade of 3.00 g/t)

During 2014, ATAC will continue with its internal evaluations of the Tiger Deposit, potentially leading to a further scoping level study.

### 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 Trend. It is situated in lowlands 1.5 km west of the Wind River Winter Road and 15 km northwest of the Tiger Deposit. It is identified by a natural spring gossan and vegetation kill zone measuring approximately 300 by 150 m. ATAC staked the gossan in 2008 as part of its district-wide land acquisition program to secure the on-strike continuation of favorable host rocks of the Rau Trend.

A total of 3,785 m in 19 holes was drilled in 2011 at Ocelot. 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. A summary of assays from drilling at the Ocelot Zone are listed below:

#### **OCELOT DRILL INTERSECTIONS**

Hole #	Dip	From (m)	To (m)	Interval (m)	Silver (g/t)	Lead (%)	Zinc (%)	Lead + Zinc (%)
OC-11-06	-50	154.82	160.83	6.01	23.86	0.08	8.83	8.91
OC-11-07	-70	192.02	203.90	11.88	58.03	2.01	12.41	14.42
OC-11-09	-70	109.73	151.45	41.72	145.43	3.36	11.65	15.01
OC-11-10	-50	56.96	120.40	63.44	73.81	2.44	8.18	10.62
OC-11-11	-50	32.19	70.10	37.91	188.07	8.69	6.06	14.75
OC-11-12	-70	58.40	85.23	26.83	71.66	2.22	13.61	15.83
OC-11-13	-65	169.16	182.88	13.72	174.18	6.39	8.55	14.94
OC-11-14	-50	46.05	81.69	35.64	46.43	1.36	8.12	9.48
OC-11-16	-50	48.38	83.95	35.57	56.53	1.63	9.73	11.36
OC-11-17	-70	83.40	96.01	12.61	34.13	1.02	12.48	13.50
OC-11-18	-50	77.72	106.75	29.03	121.12	0.51	1.28	1.79

- *The reported intersections are drilled thicknesses. True thicknesses are believed to be approximately 75 to 100% of the intersected widths.*

### Cheetah Target

Five satellite oxide gold targets have been discovered by prospecting and geochemical sampling within a five km distance of the Tiger Deposit. In 2010, reconnaissance drilling on one of these targets (Cheetah) averaged 1.29 g/t gold over 16.90 m, starting at 104.90 m in hole CH-10-04. The true width of the mineralization in hole CH-10-04 is believed to represent approximately 60% of the reported interval. The three other holes drilled in 2010 to test the Cheetah Target did not intersect significant gold mineralization.

During July and August 2011, ATAC was active at the Cheetah Zone as well as two other exploration targets in the Tiger Zone area. Three holes totalling 483 m were drilled on the Cheetah Zone. Two holes totalling 342 m were drilled on the nearby and similar Puma Target.

The Now gold soil geochemical anomaly was tested with 3 holes totalling 796 m. Low-grade gold intersections in most of the holes satisfactorily explain the targeted anomalies. No drilling was carried out on the Cheetah or other nearby gold exploration targets in 2012 or 2013.

(ii) **Nadaleen Trend**

In July of 2010, the Osiris gold showing was discovered approximately 100 km to the east of the Tiger Deposit (the “Osiris Showing”). This eastern portion of the Rackla Gold Belt is now referred to as the “Nadaleen Trend”.

The Osiris Showing area was initially staked in 2009 to cover a 17 km long mountain range where five of six stream sediment samples in the federal government stream sediment database were highly anomalous for arsenic. Follow up reconnaissance-scale stream sediment sampling in 2009 identified several areas that warranted additional exploration, in particular one 2 km long tributary of one of the anomalous drainages that is characterized by stream sediment gold values ranging from trace to 2 g/t gold. Prospecting in the headwaters of this creek revealed gold mineralization over a wide area.

The Nadaleen Trend mineralization is distinctly different in character from the Tiger Deposit mineralization in that fine-grained pyrite, realgar and orpiment appear to be the primary minerals associated with gold, rather than coarse-grained pyrite and arsenopyrite. The mineralization occurs in limestone debris flows and turbidite deposits characteristic of an offshore sedimentary environment, whereas the Tiger Deposit is hosted by shallow water dolomitized limestone. The mineralogy, chemistry and geological setting of the Nadaleen Trend Showings are characteristic of Carlin-type mineralization in contrast to the Tiger Deposit, which has characteristics of intrusive-related gold deposits.

Osiris Zone

Mineralization is hosted by carbonate rocks of uncertain age that are folded into a southerly plunging anticline and occurs in the form of narrow veins, veinlets, stockworks and disseminations of realgar and orpiment (both are arsenic sulphide minerals) accompanied by decarbonitization, 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 breccia zone that lies along the fold axis near the crest of the anticline.

The 2010-2012 drill holes at the Osiris Zone have tested two distinct structural settings for Carlin-type gold mineralization, the steeply dipping west limb of the anticline and near-surface mineralization in the south-dipping east limb. Significant assays from the Osiris Zone drilling are tabulated below:

**SELECTED OSIRIS ZONE ASSAY RESULTS**

<b>Hole ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au (g/t)</b>
<i>OS-10-001</i>	56.08	121.28	65.20	4.65
<i>OS-11-023</i>	15.24	56.39	41.15	2.48
<i>OS-11-031</i>	39.62	71.63	32.01	4.25
<i>OS-11-055</i>	1.42	27.54	26.12	6.08

<b>OS-11-057</b>	1.75	23.77	22.02	4.14
<i>including</i>	3.96	14.63	10.67	7.18
<i>and</i>	179.22	183.79	4.57	3.73
<i>and</i>	226.70	233.05	6.35	3.85
<b>OS-11-080</b>	24.39	44.20	19.81	5.07
<b>OS-11-082</b>	134.11	178.31	44.20	4.41

- *The reported intersections are drilled thicknesses. True thicknesses are believed to be approximately 75 to 100% of the intersected widths.*

The 50 to 100 m wide zone of Osiris gold mineralization parallels bedding along the west limb of the Osiris anticline, near the contact between reactive silty limestone beds and an overlying dolostone unit. Drilling traced gold mineralization on the west limb of the fold for a total of 700 m and for a total of 500 m vertically.

Near-surface stratabound mineralization has been traced by drilling over a 50 by 150 m area in the moderately south dipping eastern limb of the Osiris anticline where silty limestone and limestone debris flow units are partially replaced by silica sinter and realgar. The mineralized zone is open to expansion along strike to the east and downdip to the south. Previously reported intersections of this style of mineralization include 35.08 m of 2.31 g/t gold in hole OS-10-002.

Partial to complete oxidation is present up to 90 m vertically from surface at Osiris ridge on both limbs of the fold.

### Isis East Zone

The Isis East Zone is located about 500 m southwest of the Osiris Zone. Gold mineralization here is stratabound and is localized in the same southerly plunging anticline that hosts the Osiris Zone. Style of mineralization in the two zones is very similar, with 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. Significant results of 2011, 2012 and 2013 drilling at the Isis East Zone are tabulated below.

### **ISIS EAST ZONE ASSAY RESULTS**

<b>Hole ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au (g/t)</b>
<b>OS-11-038</b>	39.01	48.16	9.15	2.76
<b>OS-11-040</b>	95.40	133.50	38.10	3.33
<i>including</i>	110.64	125.88	15.24	6.77
<b>OS-11-046</b>	12.80	20.00	7.20	1.79
<b>OS-11-073</b>	17.37	69.19	51.82	3.13
<i>including</i>	57.00	67.76	10.76	12.52
<b>OS-12-091</b>	198.73	212.45	13.72	5.14
<b>OS-12-097</b>	31.39	55.78	24.39	5.58
<i>including</i>	42.06	54.25	12.19	9.96
<b>OS-12-125</b>	92.35	125.88	33.53	3.68
<b>OS-13-207</b>	217.93	239.80	21.87	2.62

- *The reported intersections are drilled thicknesses. True thicknesses are believed to be approximately 75 to 100% of the intersected widths.*

Mineralization has been intersected over an unfolded strike length of 200 m to the current maximum depth of 350 m below surface. The mineralized area remains open to expansion to depth.

### Conrad Zone

The Conrad Zone lies 1 km east-northeast of the Osiris Zone. Carlin-type mineralization at the Conrad Zone is contained within several structural and stratigraphic settings. In the Upper Conrad Zone, gold mineralization occurs along the stratigraphic contact between limestone and an overlying pyritic siltstone cap unit. The Upper Zone has been continuously traced by shallow drilling over a strike length of 800 m between Sections C100E and C900 E. The thickest and best mineralized parts of the Upper Zone occur along the crest of an anticlinal fold where OS-13-219 intersected 68.58 m of 4.23 g/t gold (from 7.62 m to 76.20 m) on Section C600E.

Mineralization at the Lower Conrad Zone has been traced by wide-spaced drill holes for 300 m. It is characterized by alteration and mineralization within and adjacent to a relatively flat-lying fault. On Section C650E, two 2012 drill holes discovered a solution collapse breccia body located at and above the intersection of the flat-lying fault with a near-vertical, east-west trending fracture system. One of these holes (OS-12-116) intersected two intervals in this zone which returned 56.93 m of 4.68 g/t gold and 27.43 m of 4.09 g/t gold.

Hole OS-13-219, which was collared 50 m west of C650E, is the only hole that has tested the strike extension of the solution collapse breccia zone and it returned 33.86 m of 5.40 g/t gold. Limited drilling further west has intersected the mineralized flat-lying fault for a total 300 m strike length; however, the potential strike extension of the breccia body has not been tested along the full length of the Lower Zone. Both Upper and Lower Conrad Zones remain open along strike and at depth.

### **SIGNIFICANT CONRAD ZONE DRILL RESULTS**

<b>Hole ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au (g/t)</b>
<i>OS-11-010</i>	176.15	291.08	114.93	3.15
<i>OS-11-014</i>	86.87	99.06	12.19	10.54
<i>OS-11-030</i>	179.83	252.98	73.15	3.05
<i>OS-11-051</i>	259.99	275.23	15.24	6.92
<i>OS-11-058</i>	147.22	188.37	41.15	7.33
<i>OS-11-062</i>	83.21	142.65	59.44	4.32
<i>OS-12-098</i>	90.76	131.06	40.30	10.10
<i>OS-12-103</i>	34.44	80.50	46.06	11.24
<i>OS-12-105</i>	253.45	278.89	25.44	4.45
<i>OS-12-114</i>	66.19	109.12	42.93	18.44
<i>OS-12-116</i>	256.95	313.88	56.93	4.68
<i>and</i>	324.00	351.43	27.43	4.09
<i>OS-12-117</i>	315.97	338.63	22.66	5.98
<i>OS-12-130</i>	60.53	115.21	54.86	4.32
<i>OS-12-141</i>	40.54	56.84	16.30	15.73

<b>OS-12-148</b>	18.29	33.53	15.24	8.68
<b>OS-12-149</b>	291.00	304.19	13.19	7.02
<i>and</i>	409.84	438.30	28.46	5.20
<i>and</i>	526.69	551.08	24.39	4.38
<b>OS-12-163</b>	9.14	28.15	19.01	6.60
<b>OS-12-165</b>	13.72	79.25	65.53	2.53
<b>OS-12-168</b>	18.29	92.96	74.67	3.08
<b>OS-12-169</b>	14.69	44.81	30.12	8.38
<b>OS-12-170</b>	340.76	383.44	42.68	6.19
<b>OS-12-183</b>	92.35	122.83	30.48	8.60
<i>and</i>	131.98	156.36	24.38	9.08
<b>OS-13-219</b>	7.62	76.20	68.58	1.23
<i>and</i>	274.62	308.48	33.86	5.40

- *The reported intersections are drilled thicknesses. True thicknesses are believed to be approximately 75 to 100% of the intersected widths.*

### Sunrise Zone

The Sunrise Zone is a new area located 300 m east of the main Osiris anticline zone and upslope of a strong gold-in-soil geochemical anomaly that had not been drill-tested until late in the 2012 drill season. Mineralization in the Sunrise Zone occurs as two apparently sub-parallel zones that dip moderately south-southeast. The lower and northernmost zone of stratabound mineralization was intersected in holes OS-12-171 and OS-12-173 (see table below). The best mineralized interval from the three holes was intersected at the top of hole OS-12-173 where intensely decalcified limestone is adjacent to a steeply dipping fault that separates the Osiris carbonate sequence from overlying shale. The hole was collared directly within mineralization and returned 14.86 m of 10.54 g/t gold.

### **SIGNIFICANT SUNRISE ZONE DRILL RESULTS**

<b>Hole ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au (g/t)</b>
<b>OS-12-171</b>	3.66	14.33	10.67	3.19
<i>and</i>	30.50	36.00	5.50	10.17
<b>OS-12-173</b>	0.99	15.85	14.86	10.54
<i>and</i>	72.24	85.95	13.71	4.47
<b>OS-13-200</b>	148.18	151.18	3.00	5.28
<i>and</i>	175.73	176.78	1.05	11.95
<b>OS-13-201</b>	197.59	210.31	12.72	9.49
<b>OS-13-206</b>	120.70	135.94	15.24	9.83
<b>OS-13-208</b>	90.98	103.75	12.77	6.29

- *The reported intersections are drilled thicknesses. True thicknesses are believed to be approximately 75 to 100% of the intersected widths.*

On August 14, 2013 ATAC reported the results from the first seven 2013 diamond drill holes completed at the Sunrise Zone. The 2013 drilling to the east and west of the 2012 discovery hole (OS-12-173) has extended the strike length of mineralization to 200 m and to a depth of 250 m from surface.

Phase one of the proposed 2014 exploration program includes diamond drilling to expand the western end of the Sunrise Zone toward the high-grade part of the Osiris anticline. Step out drilling will continue westward from the final 2013 drill holes.

### Anubis Area

On September 17, 2012, ATAC announced that it had made a major new discovery of Carlin-type mineralization in the Nadaleen Trend. The new zone, named Anubis, was discovered by prospecting follow-up of reconnaissance soil geochemical sampling anomalies about 10 km west of the Osiris area.

The Anubis target area is underlain by a sequence of mid-Paleozoic carbonate rocks with interbedded calcareous siltstone and shale. Systematic grid soil sampling identified a 1 km long, northwest trending linear gold-in-soil anomaly with intermittently coincident arsenic, antimony and mercury soil responses within a well-defined recessive regional-scale lineament.

The Anubis discovery outcrop consists of a partially exposed outcrop of highly fractured, strongly folded, silicified and decarbonatized sanded limestone breccia. The breccia occurs within calcareous siltstone and shale units along a regional fault zone. Four samples collected along the one metre long exposure returned 139 g/t gold, 125 g/t gold, 122 g/t gold and 84.2 g/t gold.

Diamond drill holes AN-12-002 and 003 targeted the on-section, downdip potential of the Anubis discovery hole AN-12-001 that intersected 19.85 g/t gold over 8.51 m. Hole AN-12-002 intersected anomalous gold sporadically/intermittently throughout the hole while hole AN-12-003 intersected a broad zone of high-grade gold mineralization that yielded 9.08 g/t gold over 16.76 m (69.19 m to 85.95 m) and bottomed in 4.54 g/t gold over 1.52 m (153.01 m to 154.53 m). Although the geometries and controls of gold mineralization at Anubis are not fully understood due to limited drilling, the zone remains open in all directions and results warrant additional drilling. The reported intersections in AN-12-003 are drilled thickness and are believed to represent approximately 50 to 85% true width.

Exploration in the Anubis area in 2013 was focused on prospecting and test pitting by hand and excavator of numerous gold and pathfinder element geochemical anomalies in the Anubis area. Results of that work were announced on November 12, 2013 and highlights are summarized below.

Soil geochemistry, prospecting, excavator pitting and mapping have outlined a highly prospective 12 km<sup>2</sup> area centred within a major fault network;

- Six new Carlin-type gold drill targets have been identified; Corona, Columba, Dorado, Draco, Zodiac and Lyra;
- Preliminary sampling at the Dorado gold target, located 2 km northwest of the Anubis 2012 drill discovery has returned assays of 4.64, 3.98, 3.54, 2.63 and 2.62 g/t gold from hand pit grab samples;
- Assay results returned greater than 1 g/t gold from initial grab samples taken from test pits at the Zodiac, Corona and Draco gold targets. In addition, highlight silver values

from Zodiac and Corona include 900 g/t (26.25 oz/ton) silver and 2,910 g/t (84.88 oz/ton) silver, respectively; and,

- Anubis and Ana gold targets have been advanced through detailed mapping. Proposed 2014 drilling will initially step out from the Anubis discovery, where hole OS-12-001 intersected 8.51 m of 19.85 g/t gold, and the Ana target where 2012 hand pit grab samples returned 5.59, 3.54, 2.45 and 2.01 g/t gold.

In anticipation of a drill program later in the field season, the proposed 2014 phase one exploration program in the Anubis area will include extensive excavator trenching and pitting. Work will be carried out at the Anubis discovery itself, on eight nearby surface showings and on eight priority Carlin-type gold or pathfinder element soil anomalies spread out over a 12 km<sup>2</sup> area.

### Analytical Procedures

Drill core samples were forwarded to ALS Minerals in Whitehorse, Y.T. or North Vancouver, B.C. where they were fine crushed before a 250 gram split was pulverized to better than 85% passing 75 microns. The pulverizing circuit was cleaned with quartz sand twice between samples. Pulps were then analysed at ALS Minerals in North Vancouver where splits of the pulverized fraction were routinely dissolved in aqua regia and analyzed for 49 elements using inductively coupled plasma (ICP) together with mass spectrometry (MS) or atomic emission spectroscopy (AES). Gold analyses were by the Au-AA26 procedure that involves fire assay preparation using a 50 gram charge with an atomic absorption spectroscopy finish. Mercury analyses were performed using atomic absorption spectroscopy (AAS).

Ocelot Zone core samples were initially analyzed for gold by fire assay followed by atomic absorption (Au-AA26) and 48 other elements by inductively coupled plasma-mass spectrometry (ME-MS61). Samples in mineralized intervals were assayed for silver, lead and zinc by inductively coupled plasma – atomic emission spectroscopy (Ag/Pb/Zn-OG62).

Rigorous procedures are in place regarding sample collection, chain of custody and data entry. Certified assay standards, duplicate samples and blanks are routinely inserted into the sample stream to ensure integrity of the assay process.

### (b) **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. No exploration work has been carried out on the Rosy property since 2010 and no work is planned for 2014.



**(c) 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.

The only work done on the Connaught property since 2011 was a modest program of reclamation completed by ATAC in 2012. The property continues to have exploration potential, but no work is planned in 2014.

**(d) 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 carried out on the property in 2013 and none is planned in 2014.

**(e) Rusty Property (T claims)**

ATAC holds a 100% interest in the 73 mineral claims comprising the Rusty property, located 125 km northeast of the community of Mayo, Yukon. The property is a silver-lead-zinc exploration target. No work was completed on the property in 2013 and none is planned in 2014.

**2. Dawson Gold Joint Venture**

ATAC and Arcus Development Group Inc. ("Arcus") each hold a 50% interest in the Dawson Gold joint venture. The joint venture was established on February 21, 2012 following the exercise of a property option by Arcus and its acquisition of a 50% interest in the Dawson Gold mineral properties.

The Dawson Gold joint venture land package consists of four claim blocks located in the Whitehorse and Dawson Mining Districts of west-central Yukon, adjacent to or near the White Gold and Black Fox properties of Kinross Gold Corporation ("Kinross") and the Coffee property of Kaminak Gold Corporation ("Kaminak").

Work programs in 2009, 2010 and 2011 by Arcus under the option phase of its agreement with ATAC resulted in the identification of multiple geochemical anomalies on the Dawson Gold Project properties. During the summer of 2011, Arcus drill tested a number of the coincident geophysical and geochemical anomalies at each of the Dan Man and Touleary properties.

Small work programs in 2012 and 2013 consisted of hand pit testing and expanded soil grids at Touleary and ridge crest soil sampling at Shamrock. The budget for the 2012 and 2013 programs were approximately \$100,000 each and were jointly funded by ATAC and Arcus. As of May 15, 2014, the 2014 work program had not been finalized by the joint venture.

### **3. Property Interests under Option**

#### **(a) 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. No field work was carried out on the property in 2008 or 2009.

ATAC had no future exploration plans for the Idaho Creek property and accumulated costs were written-off.

By Agreement dated January 19, 2010, ATAC granted Golden Predator Canada Corp. (“GPCC”) (formerly, True North Mining Corp.) and its parent company Americas Bullion Royalty Corp. (“Americas Bullion”), an option to acquire a 100% interest in the Idaho project, in consideration of aggregate staged payments totalling \$120,000 and 150,000 Americas Bullion common shares, by January 19, 2016. Should GPCC exercise the option and acquire a 100% interest in the property, ATAC will retain a 2% net smelter return royalty interest in the proceeds from any commercial production (the “Idaho NSR”). GPCC would have the right at any time to purchase one-half of the Idaho NSR for \$500,000. \$100,000 of the total cash option payments made by GPCC to ATAC shall represent an advance Idaho NSR payment. On the commencement of commercial production from the Idaho property, GPCC shall be entitled to reimbursement of the advance Idaho NSR payment prior to being obligated to make Idaho NSR payments to ATAC.

GPCC is not required to incur any exploration expenditures on the property in order to exercise its option under the January 19, 2010 agreement. ATAC is not aware of any work completed during the years 2010 through 2013. To date, ATAC has received aggregate cash payments of \$72,500 and an aggregate 150,000 Americas Bullion shares.

### **TECHNICAL REVIEW**

Technical information disclosed in this MD&A has been reviewed Robert C. Carne, M.Sc., P. Geo., a director of ATAC and a qualified person for the purpose for the National Instrument 43-101.

### **SUBSEQUENT EVENTS**

On April 14, 2014, the ATAC board of directors adopted a new shareholder rights plan. See “Management and Board of Directors” for additional information.

**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 March 31, 2014 there were 117,424,577 common shares issued and outstanding and as of May 15, 2014 there were 117,764,577 common shares issued and outstanding.

## Stock Options

As of May 15, 2014 ATAC had outstanding stock options to acquire 8,983,000 common shares as follows:

Number of Options Outstanding	Price	Expiry Date
1,095,000	\$1.40	January 12, 2015
100,000	\$1.49	June 16, 2015
1,315,000	\$1.80	March 11, 2016
100,000	\$2.60	January 20, 2017
2,163,000	\$3.00	March 23, 2017
20,000	\$1.70	December 14, 2017
1,860,000	\$1.80	January 29, 2018
2,330,000	\$0.75	February 3, 2019
<b>8,983,000</b>		

## Warrants

As of May 15, 2014, ATAC had the following outstanding warrants to acquire 6,690,720 common shares:

Number of Warrants Outstanding	Price	Expiry Date
4,800,000	\$2.10	September 22, 2014
1,890,720	\$2.70	March 27, 2015

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#### CORPORATE INFORMATION

Douglas O. Goss, Q.C., Edmonton, Alberta	Chairman of the Board and Director
Robert C. Carne, Burnaby, B.C.	President and Director
Graham N. Downs, Squamish, B.C.	Chief Executive Officer
Ian J. Talbot, North Vancouver, B.C.	Chief Operating Officer
Larry B. Donaldson, Port Moody, B.C.	Chief Financial Officer
Glenn R. Yeadon, Vancouver, B.C.	Secretary and Director
Bruce J. Kenway, Calgary, Alberta	Independent Director
Helmut H. Wober, Port Moody, B.C.	Independent Director
Bruce A. Youngman, Surrey, B.C.	Independent Director

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