PITCHBLACK RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and nine months ended September 30, 2017

Date: November 29, 2017

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Pitchblack Resources Ltd. ("we", "our", "us", "Pitchblack", or the "Company") for the three and nine months ended September 30, 2017 and should be read in conjunction with the condensed interim consolidated financial statements and related notes for the three and nine months ended September 30, 2017 and consolidated financial statements and related notes for the year ended December 31, 2016.

References to the first, second and third quarter of 2017 and the first, second and third quarter of 2016 or Q1, Q2 and Q3 2017 and Q1, Q2 and Q3 2016 mean the three months ended March 31, June 30 and September 30, 2017 and March 31, June 30 and September 30, 2016 respectively. Additional information, including our press releases, have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available online under our profile at www.sedar.com.

All financial statements discussed in this MD&A have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern and do not reflect the adjustments to the carrying value of assets and liabilities, reported revenue and expenses, and the statement of financial position classifications that would be necessary if the going concern assumption was no longer appropriate. These adjustments could be material.

The Audit Committee of the Company has reviewed this MD&A and the condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 and 2016, and Pitchblack's Board of Directors has approved these documents prior to their release.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy; the Company's ability to raise required funds; litigation expenses and possible liabilities; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of development and exploration activities are based on previous industry experience and advice from experts and recent research. Mineralization projections are based on research of the Company and advice from experts. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; litigation and other commercial disputes; regulatory risks; government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

COMPANY OUTLOOK

The Company continues its strategic review of all of its mineral properties in order to maximize shareholder value. The Company is continuing the process of attempting to vend or joint venture some or all of its properties. In parallel, the Company reviewed acquisition opportunities to identify an asset (or assets) that could serve as the Company's flagship assets in the coming years. The ongoing acquisition of the Troilus gold project is the culmination of these efforts.

AGREEMENT WITH SULLIDEN MINING CAPITAL INC.

In June 2017, the Company entered into an agreement with Sulliden Mining Capital. ("Sulliden") to purchase from Sulliden all of the shares of a wholly owned subsidiary of Sulliden ("Sulliden Sub") which holds an option to acquire 100% of the past producing Troilus Gold Project the ("Troilus Project"). Subsequent to the end of the quarter, this agreement was amended such that the Company, Sulliden Sub, 2513924 Ontario Inc ("251 Ontario) , and a wholly-owned subsidiary of Pitchblack ("Subco") have entered into an amalgamation agreement (the "Amalgamation Agreement") pursuant to which Subco, Sulliden Sub and 251 Ontario will amalgamate and the shareholders of both Sulliden Sub and 251 Ontario will receive an aggregate of 100,000,000 Common Shares of Pitchblack on a pre-Consolidation basis, 60% of which will go to the Sulliden Sub shareholder and 40% of which will go to the shareholders of 251 Ontario. The resulting amalgamated corporation will be a wholly-owned subsidiary of Pitchblack. Completion of this transaction will be subject to, among other things, TSX-V approval and Pitchblack shareholder approval. See Subsequent Events section of this MD&A for more information.

PROJECT ACTIVITIES

URANIUM

Igor Property ("Igor")

As at September 30, 2017 and December 31, 2016 the Company held a 50% interest in the Igor Property.

The Company has terminated the option with Mega Uranium Ltd. to earn an additional 25% in the Igor Property. The Company is the operator on the property. The Company has written down the full amount of the carrying value of the property as it has not done any exploration work on the property in the last five years and does not intend to do additional work on the property for the foreseeable future.

The Company has allowed certain claims to lapse and will continue to allow certain Igor property claims to lapse as they come up for renewal.

COAL

Division Mountain

The Division Mountain coal project is located 90 kilometres northwest of Whitehorse, Yukon Territory. The property is 100% owned by the Company and is comprised of 15 territorial coal exploration licences covering approximately 3,000 square kilometres.

On August 21, 2017, the Company closed a sale of the Division Mountain coal project in consideration for a cash payment of $100,000. The sale of the Division Mountain coal project is the result of the Company's strategic review of its assets, strengths and go-forward plan. As the Company had not conducted any exploration work at the Division Mountain project in the past few years, it had previously written off the entire value of the property. Through the sale, the Company received a $100,000 cash payment and will be able to re-focus its management efforts on the completion of Transaction. On closing, the purchaser assumed all property maintenance payments and obligations and indemnified the Company against any environmental or reclamation obligations and liabilities relating to the Division Mountain coal project. The purchaser is not a related party of the Company, its officers, directors or other insiders; consequently, the sale transaction is an arm's length transaction for the purposes of the policies of the NEX Board of the TSX Venture Exchange ("TSXV"). This transaction is approved by the NEX Board of the TSXV.

(in Canadian dollars unless otherwise noted)

GOLD

Mike Lake

The Mike Lake property consists of 319 mining claims covering an area of approximately 68 square kilometres located in the Tintina Gold Belt, Yukon Territory, which is primarily prospective for gold.

The Company is assessing its strategic options for the property going forward. The Company believes there are a number of prospective joint venture partners or acquirers for the property.

SUMMARIZED FINANCIAL RESULTS

Selected Quarterly Financial Information

The quarterly results are as follows:

	2017 Q3	2017 Q2	2017 Q1	2016 Q4
Statement of Loss:				
Income/(Loss)	$ (259,058)	$ (118,684)	$ (139,578)	$ (241,423)
Income/(Loss) per share	(0.03)	(0.01)	(0.02)	(0.04)
Statement of Financial Position:				
Working capital [1]	(858,217)	(699,159)	(1,023,076)	(883,498)
Total assets	$ 378,156	$ 388,032	$ 84,687	$ 88,346
	2016 Q3	**2016 Q2**	**2016 Q1**	**2015 Q4**
Statement of Loss:				
Income/(Loss)	$ (185,532)	$ (72,232)	$ (102,108)	$ 322,700
Income/(Loss) per share	(0.03)	(0.02)	(0.03)	0.09
Statement of Financial Position:				
Working capital [1]	(692,381)	(660,639)	(648,406)	(546,299)
Total assets	$ 145,256	$ 13,164	$ 26,968	$ 27,602

1) See Non-GAAP measures

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any operating assets that generate revenues. The Company incurred a net loss of $259,058 and $517,320 respectively for the three and nine months ended September 30, 2017 (three and nine months ended September 30, 2016: $185,532 and $359,872 respectively).

The Company generated cash in the amount of $70,207 and $276,684 respectively during the three and nine months ended September 30, 2017 (three and nine months ended September 30, 2017: generated cash of $107,020 and $97,967 respectively).

The Company has a need for equity capital and financing for working capital and exploration and evaluation of its properties. Because of continuing operating losses and a working capital deficiency at September 30, 2017, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations in the longer term. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

(in Canadian dollars unless otherwise noted)

Working Capital

As at September 30, 2017, the Company had a working capital deficiency (see note NON-GAAP MEASURES) of $858,217 compared to a working capital deficiency of $883,498 at December 31, 2016. The Company is reviewing various strategic alternatives in order to rectify its negative working capital position. As a result of the financing obligations of Sulliden with regards to the Troilus transaction, upon closing of the Troilus transaction, this working capital deficiency would be rectified.

CASH FLOWS

Cash flows for the three and nine months ended September 30, 2017 and 2016

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	2017	2016
Cash provided (used) in operating activities	$ (29,793)	$ (46,770)	$ (38,316)	$ (115,823)
Cash provided by financing activities	-	153,790	215,000	213,790
Cash provided by investing activities	100,000	-	100,000	-
Change in cash	$ 70,207	$ 107,020	$ 276,684	$ 97,967

During the nine months ended September 30, 2017, 150,000 common stock options were exercised for cash proceeds of $15,000.

On June 1, 2017, the Company closed a non-brokered private placement financing of 571,428 common shares of the Company at a price of $0.35 per share for gross proceeds of $200,000.

RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2017 and 2016

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Expenses				
Consulting, professional and management fees	$ 236,100	$ 132,826	$ 482,803	$ 354,982
Office and general	10,530	2,518	30,169	7,573
Shareholder communications and filing fees	11,367	22,253	13,306	29,495
Travel and promotion	1,554	-	6,648	-
Property maintenance expense	-	28,397	9,000	28,397.00
Reversal of property impairment	-	-	(100,000)	-
Share-based compensation	-	-	76,142	-
Recovery of accrued liabilities	-	-	-	(60,000)
Unrealized gain on investment	(493)	(462)	(748)	(575)
Net loss for the period	$ 259,058	$ 185,532	$ 517,320	$ 359,872

During the three and nine months ended September 30, 2017, the Company recorded a net loss of $259,058 and $517,320 respectively, compared to a loss of $185,532 and $359,872 during the same periods of 2016. The increase in net loss during the three and nine months ended September 30, 2017 resulted primarily from loss on settlement of debt and share-based compensation expenses.

During the Q2 2017, the Company has reversed $100,000 of previously fully impaired carrying value of the Division Mountain property and in Q3 2017 completed sale of the property. See Project Activity section of this MD&A for more information.

(in Canadian dollars unless otherwise noted)

During Q2 2017, the Company issued 375,000 common stock options to certain officers, directors and consultants with an exercise price of $0.30 and an expiry date of April 20, 2022. All options have an immediate vesting term.

NEW AND FUTURE ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

RELATED PARTY DISCLOSURES

During the three and nine months ended September 30, 2017 and 2016, the Company did not enter into transactions in the ordinary course of business with related parties that are not subsidiaries of the Company. Unless otherwise specified, the period end balances of payables referred to are non-interest bearing, unsecured, payable on demand, and have arisen from the provision of services and expense reimbursements. Below is a summary of key management personnel owed amounts not disclosed elsewhere in the condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 and 2016:

	Amounts owed to related parties	
	September 30, 2017	September 30, 2016
Directors and officers	$ 441,481	$ 222,470

The Company shares its office space with other companies who may have similar officers or directors. The costs associated with this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc., to whom the Company pays a monthly fee. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

Compensation of key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2017 and 2016 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Short-term benefits	$ 77,250	$ 75,000	$ 231,750	$ 225,000
Share-based payments	-	-	60,914	-
	$ 77,250	**$ 75,000**	**$ 292,664**	**$ 225,000**

The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends.

(in Canadian dollars unless otherwise noted)

COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts require that payments of up to approximately $901,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under these contracts approximate $331,000 due within one year.

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

OUTSTANDING SHARE DATA

As at November 29, 2017, 9,922,479 common shares of the Company were outstanding. Of the options to purchase common shares issued to service providers under the stock option plan of the Company, 825,000 stock options remained outstanding with exercise prices ranging from $0.10 to $0.30, and expiry dates ranging between November 7, 2021 and April 20, 2022. If exercised, 825,000 common shares of the Company would be issued, generating proceeds of $157,500.

NON-GAAP MEASURES

This MD&A contains the term working capital. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

	September 30, 2017	December 31, 2016
Current assets		
Cash	$ 323,279	$ 46,595
Amounts receivable	43,383	40,385
Prepaid expenses	10,055	675
Investments	1,439	691
Total current assets	378,156	88,346
Current liabilities		
Accounts payable and accrued liabilities	1,236,373	971,844
Total liabilities	1,236,373	971,844
Working capital (current assets less current liabilities)	$ (858,217)	$ (883,498)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Cash (used in) operating activities before change in working capital items	$ (259,551)	$ (185,994)	$ (541,926)	(360,447)
Cash provided by (used in) change in working capital items	229,758	139,224	503,610	244,624
Net cash provided by (used in) operating activities	$ (29,793)	$ (46,770)	$ (38,316)	$ (115,823)

(in Canadian dollars unless otherwise noted)

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Transaction May Not Be Approved

The Transaction remains subject to a number of conditions precedent, including approval of the TSXV. There can be no assurance that all of the necessary approvals will be obtained. If the Transaction does not complete, the Company will continue to search for other opportunities, however, it will have incurred significant costs associated with the Transaction. In the event that the Transaction is not approved, the Company will remain listed on the NEX.

Liquidity Concerns and Future Financings

To remain solvent, the Company will require additional funds. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations cost were greater than projected price of production. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase and delays in the commencement of production often can occur.

No Revenues

To date the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Mineral Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Foreign Exchange

The Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the US dollar. As the Company supports its operation through financing in Canadian dollars, a decline in the US dollar would result in a decrease in the real value of the Company's future revenues and adversely affect its financial performance.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, and actual events could have a material adverse effect on the Company's mineral reserve estimates.

Licences and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation infrastructures, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Environmental

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Property Commitments

The Company's mining properties may be subject to various land payments, royalties and/or work commitments. Failure by the Company to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave- ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increased costs of projects.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that further fluctuations in the Company's share price will not occur.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital, warrants and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There have been no changes in the Company's approach to capital management during 2017 and 2016. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

FINANCIAL RISK FACTORS

There have been no changes in the risks, objectives, policies and procedures from the previous period. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to amounts receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in amounts receivable consist primarily of harmonized sales tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2017, the Company had a cash balance of $323,279 (December 31, 2016 - $46,595) to settle current liabilities of $1,236,373 (December 31, 2016 - $971,844). The Company's financial liabilities generally have contractual maturities of less than 30 days.

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Market risk

(a) Interest rate risk
The Company had cash balances at September 30, 2017. The Company's current policy is to invest excess cash in investment-grade term deposit certificates issued by credible banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company considers interest rate risk to be minimal as investments are short term, the Company does not carry interest-bearing debt, and future financing will be primarily secured from private placements.

(b) Price risk
The Company will be exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices of these commodities. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for ore, the level of interest rates, the rate of inflation, investment decisions by large holders of ore and stability of exchange rates can all cause significant fluctuations in prices, such external economic factors may in turn be influenced by changes in international investment patterns and monetary systems and political developments. The Company is also exposed to price risk with respect to its investments.

Fair value hierarchy and liquidity risk disclosure

At September 30, 2017 and December 31, 2016, the Company's financial instruments that are carried at fair value, consist of investments which have been classified as Level 1 within the fair value hierarchy.

Sensitivity analysis

The Company has designated its cash and cash equivalents as held-for-trading, measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Temporary investments are classified as held-for-trading and measured at their quoted market value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As at September 30, 2017, the carrying and fair value amounts of the Company's financial instruments are the same.

The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk. Price risk is remote as the Company is not a producing entity.

CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTIES

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

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

- Assets' carrying values and impairment charges

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

- Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

- Estimation of decommissioning and restoration costs and the timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income, value added, withholding and other taxes

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

- Share-based payments

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

- Contingencies

Refer to Commitments and Contingencies section of this MD&A.

SUBSEQUENT EVENTS

Private Placement

On November 21, 2017, the Company announced the closing of the previously announced "bought deal" private placement offering (the "Offering") of subscription receipts (the "Subscription Receipts") of Sulliden Sub, a wholly-owned subsidiary of Sulliden, at a price of $1.64 per Subscription Receipt. An aggregate of 14,030,000 Subscription Receipts were sold pursuant to the Offering, including the full exercise of the over-allotment option granted to the Underwriters (as defined below), for aggregate gross proceeds of $23,009,200. National Bank Financial Inc. ("NBF") acted as sole bookrunner together with Haywood Securities Inc. and PI Financial Corp., as co-lead underwriters, on behalf of a syndicate of underwriters that included Desjardins Securities Inc., GMP Securities L.P., Jett Capital Advisors, LLC, Mackie Research Capital Corporation and Paradigm Capital Inc. (collectively, the "Underwriters").

Each Subscription Receipt entitles the holder thereof to receive one common share in the capital of Sulliden Sub (each, an "SR Share") and one common share purchase warrant of Sulliden Sub (each, an "SR Warrant") upon satisfaction of the Escrow Release Conditions (as defined below). Each SR Warrant shall entitle the holder thereof to acquire one common share in the capital of Sulliden Sub (each, an "SR Warrant Share"), subject to standard adjustment provisions, at a price of $2.50 per SR Warrant Share for a period of 36 months from the closing date of the Offering.

As consideration for the services rendered by the Underwriters in connection with the Offering, Sulliden Sub has agreed to pay the Underwriters a cash commission equal to 6.0% of the gross proceeds raised from the Offering (the "Commission") to those purchasers under the Offering who are not on the President's List (as defined below) and 3.0% of the gross proceeds raised from the sale of Subscription Receipts to certain purchasers under the Offering who were identified to the Underwriters by Sulliden Sub (the "President's List"). Pursuant to the underwriting agreement entered into among Sulliden Sub, Pitchblack and the Underwriters, 50% of the Commission was payable on closing of the Offering and the remaining 50% of the Commission (plus accrued interest thereon) shall become payable out of the funds being held in escrow by TSX Trust Company (the "Escrow Agent") upon satisfaction of the Escrow Release Conditions.

The aggregate gross proceeds raised pursuant to the Offering, less an amount equal to (i) the aggregate of the out-of-pocket expenses of the Underwriters incurred in connection with the Offering, and (ii) 50% of the Commission, has been deposited into escrow (the "Escrowed Proceeds") with the Escrow Agent and will be released by the Escrow Agent to Sulliden Sub and the Underwriters, as applicable, following receipt of a written notice from Sulliden Sub and NBF confirming that the Escrow Release Conditions have been satisfied.

The "Escrow Release Conditions" include the satisfaction of all conditions precedent to the completion of the Transaction (as defined below), other than the filing of the Articles of Amalgamation giving effect to the amalgamation (the "Amalgamation") of Sulliden Sub, 2513924 Ontario Inc. ("251 Ontario") and a newly-incorporated subsidiary of Pitchblack ("Pitchblack Sub") created for the special purpose of effecting the Amalgamation. Provided the Escrow Release Conditions have been satisfied on or prior to 5:00 p.m. (Toronto Time) on January 31, 2018, the Escrowed Proceeds and accrued interest thereon (less an amount on account of the remaining balance of the Commission and accrued interest thereon payable to the Underwriters as described above) will be released to Sulliden Sub, and the Subscription Receipts will be automatically converted into SR Shares and SR Warrants, which will thereafter be exchanged for common shares and warrants of Pitchblack, respectively, on a one-for-one basis with the warrants of Pitchblack to be on the same terms as the SR Warrants.

The closing of the Offering is a significant step towards the completion of the previously announced acquisition by Pitchblack of an option to acquire the Troilus Project in Québec. It is intended that, upon completion of the Amalgamation, the net proceeds of the Offering will be used for current and future expanded exploration programs at the Troilus Project, exercise of the Troilus Project option agreement, and for general corporate purposes.

Option for Troilus Project

Sulliden Sub is party to an option agreement with First Quantum pursuant to which Sulliden Sub has the right to acquire the Troilus Project upon satisfaction of certain conditions. The two year option was signed in May 2016 and the Company intends to exercise the option following completion of the Transaction. Sulliden, Sulliden Sub and 251 Ontario have entered into a further option agreement dated June 2, 2016 pursuant to which Sulliden Sub granted 251 Ontario an option to acquire 40% of the Troilus Project by making a cash payment to Sulliden Sub equal to 40% of the expenditures incurred by Sulliden Sub in exercising its option from First Quantum (the "Option Payment") and an additional cash payment equal to 5% of the Option Payment. Upon the exercise of the option by 251 Ontario, Sulliden Sub has also agreed to grant to 251 Ontario a 1% net smelter return royalty which 251 Ontario has agreed to assign to 2489243 Ontario Inc.

The Transaction

The Transaction will be effected pursuant to an amalgamation agreement (the "Amalgamation Agreement"). On closing of the transaction, the Company expects to change its name from Pitchblack Resources Ltd. to Troilus Gold Inc. ("Troilus").

Pursuant to the Amalgamation Agreement, Sulliden Sub, 251 Ontario and a Pitchblack Sub will amalgamate pursuant to the provisions of the *Business Corporations Act* (Ontario) to form one wholly-owned subsidiary of the Company. Every four (4) existing Company common shares will be consolidated into one (1) new common share of Troilus. In addition, all the outstanding securities of 251 Ontario and Sulliden Sub, including the SR Shares and SR Warrants issued upon the conversion of the Subscription Receipts, shall be exchanged for post-consolidation Troilus common shares and warrants to purchase common shares of the Company (in the case of the SR Warrants, such Company warrants issued in exchange therefor to have the same terms as the SR Warrants), in each case on a one for one basis. The Transaction is expected to close in December 2017 as soon as practicable after all closing conditions are satisfied. The Transaction is subject to certain conditions, including but not limited to, no material adverse change occurring in Sulliden Sub or 251 Ontario prior to Closing, receiving all necessary regulatory and third-party approvals, including the approval of Pitchblack Shareholders and the TSXV being satisfied that after completion of the Transaction that Troilus will satisfy the TSXV minimum listing requirements for a Tier 2 Mining issuer.

A brief description of the key management and board of directors of Troilus Gold Inc and full details regarding the Transaction can be found in the Company's Information Circular dated November 22, 2017 which has been filed electronically through SEDAR and is available under our profile at www.sedar.com.

OFF-BALANCE SHEET ITEMS

The Company does not have any off-balance sheet items.