



**INTERNATIONAL PROSPECT VENTURES LTD.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 and 2018**

**DATED: November 22, 2019**

## **SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS**

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of November 22, 2019, and complements the unaudited condensed interim financial statements of International Prospect Ventures Ltd. (the "Company" or "International Prospect"), for the three and nine months ended September 30, 2019 and 2018.

The condensed interim financial statements and related notes have been prepared in accordance with IAS 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board. They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited financial statements of the Company and the notes thereto for the year ended December 31, 2018. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

The unaudited condensed interim financial statements and the MD&A have been reviewed by the Audit Committee and approved by the Company's Board of Directors on November 22, 2019. These documents and more information about the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

## **ABOUT INTERNATIONAL PROSPECT VENTURES LTD.**

International Prospect Ventures Ltd., ("International Prospect" or the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C V6E 4M3. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-D'Or, Québec, J9P 0B9.

The Company's common shares trades on Tier 2 of the TSX Venture Exchange under the trading symbol "IZZ".

## **PROJECTS IN THE PILBARA CRATON, WESTERN AUSTRALIA**

In 2017, the Company entered into an agreement with Valroc Ventures Pty Ltd. ("Valroc"), a New South Wales company, located in Australia, pursuant to which the Company and Valroc will jointly acquire certain mining claims located in Western Australia, each with an undivided 50% interest. Valroc will be responsible for arranging to have the claims acquired, registered and held in good standing. The Company will pay all of the costs of acquiring the claims, and other related costs including the costs of initial technical compilations and program reviews up to a maximum of \$120,000 to allow the Company and Valroc to consider establishing a conventional joint venture arrangement on or around December 31, 2017.

Also, in 2017, the Company and Valroc made an application for eight tenements in the Marble Bar and Nullagine areas of the Pilbara Region, Western Australia (Fortescue Basin), covering a total area of approximately 1026.10 square kilometres. The strategic locations of the claims were determined on the basis of a review of known geology and historical exploration results, and a focus on coarse-grained conglomerate host rocks at, or in proximity to, a prominent and well-documented geological unconformity. The eight properties are also proximal to and/or cover target lithologies for gold-bearing conglomerate/sedimentary rocks at the base of the Mt. Roe Basalt (2 tenements), gold-bearing Mosquito Creek and Hardey formations (4 tenements), and other prospective rocks of the Fortescue Group (2 tenements). Seven of the 8 tenements are proximal to lands held by Novo Resources, Pacton Gold, and Millennium Minerals.

With the granting of the final licences on January 9, 2019 and the acquisition of Valroc on January 31, 2019 pursuant to the binding share exchange agreement entered by the Company and Valroc in December 2017, the Company now holds 100% interest in the eight properties.

The following table provides a summary of the Company's eight tenements in eastern part of the Pilbara, Western Australia:

<b>Licence</b>	<b>Area (ha)</b>	<b>Description</b>	<b>Known Prospects</b>
E45/5024	4650	Dominated by Fortescue Group including interpreted Mt. Roe Basalt and Hardey Formation at depth. Proximal to Novo Resources and Pacton Gold.	-
E46/1197	2170	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	Little Linden West (Au) Little Linden South 1 (Au) Little Linden South 2 (Au) Little Linden South 3 (Au)
E46/1198	4030	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1202	930	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1201	1240	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1199	7440	East half dominated by Fortescue Group.	Coondamar Creek CEC (Cu-Pb-Zn) Coondamar Creek Mogul (Cu-Pb-Zn-Ag)
E45/5023	62000	Covers Fortescue Group that include prospective conglomerates. Two prospects on the Property hosted by Hardey Formation.	Fletchers Find (Au) Pearana 1 (Cu-Pb-Zn)
E46/1200	20150	Dominated by Fortescue Group with Mt. Roe Basalts and Hardey Formation in the area.	-

Between March and August 2019, the Company received 11 Prospecting Permit notices (Section 40E Permits) and executed seven Prospecting Agreements with local prospectors interested in exploring the properties. The prospectors use metal detecting methods to search for gold nuggets at or near the surface. Several mandatory prospecting reports are pending, but official reports submitted to date to the Department of Mines and Petroleum offer some interesting and encouraging results. Initial results include 108 gold nuggets (total weight 22.1 grams) and 2 gold nuggets (0.8 and 1.2 g) from Licence E46/1197 and 22 grams of gold nuggets (ranging from 0.1 to 5.2 grams) from five areas on Licence E46/1198. In addition, a single approximately 7.5 troy ounce gold nugget was reported from Licence E46/1198.

A summary of gold nuggets found to date by third party prospectors on three of the properties is as follows:

<b>Licence No.</b>	<b>No. Nuggets</b>	<b>Weight (g)</b>	<b>Description</b>
E46/1197	142	51.1	range from <1g to several grams per nugget
E46/1198	29	456.3	numerous <1g nuggets; one nugget ~7.5 toz
E46/1200	10	5.0	scattered nuggets

Site visits were completed in early November 2019 and included visiting some of the sites from which the nuggets were reportedly collected and other reconnaissance field activity. International Prospect is in the process of planning its first exploration program on the properties which will focus on prospecting, geological mapping and surface sampling.

## **CANADIAN MINERAL PROPERTIES**

### *The Porcupine Miracle Prospect*

The Company owns a 100% interest in the Porcupine Miracle Prospect, located approximately 30 km southeast of South Porcupine (Timmins, Ontario) and is comprised of 9 mining claim cells (64 ha) within Langmuir Township, northern-eastern Ontario. Historical work completed in the early 1900's by the Porcupine Miracle Gold Mining Company reportedly included shaft sinking, underground development and the construction of a stamp mill. No records exist as to any production.

The Company has completed a Phase I property-scale ground magnetic, induced polarization (IP) and Horizontal Loop Electromagnetic (HLEM) geophysical surveying. A follow-up Phase II program of prospecting, mapping, bedrock stripping, sampling and diamond drill is recommended.

The property is available for option and International Prospect is actively seeking joint venture partners.

### *Beartooth Island Prospect*

The Company holds a 40% interest in the Beartooth Island Prospect located in the Athabasca Basin in the province of Saskatchewan. The property consists of one claim totaling 5,940 hectares. This property is the subject of an agreement with Ditem Explorations Inc. ("Ditem"). Ditem can acquire an additional 6% interest in the property by advising the Company of its intent to complete a feasibility study at its sole cost within the period of 6 years from the operative date, subject to and in accordance with the terms of the agreement. As of the date hereof, the Company retains a 40% interest therein on 2 mining claims; Ditem is the operator. No exploration work was conducted on the property for the three months ended September 30, 2019.

### *Otish/Mistassini Prospect - North Central Québec*

The Company owns a 100% interest in the Otish/Mistassini Prospect located in north-central Québec. The prospect consists of 44 claims covering an area of 2,448 hectares, within four (4) separate claim blocks. This property was impaired in a previous fiscal year. Claim maintenance fees were incurred to maintain the existing properties in good standing. No exploration work was conducted on the properties for the three months ended September 30, 2019.

## SELECTED FINANCIAL POSITION

	<b>As at September 30, 2019</b>	<b>As at December 31, 2018</b>
Cash and cash equivalents	\$ 474,507	\$ 617,200
Other current assets	25,058	37,321
Exploration and evaluation assets	483,465	118,109
Other non-current assets	-	75,610
<b>Total Assets</b>	<b>\$ 983,030</b>	<b>\$ 848,240</b>
 Total Liabilities	 \$ 77,316	 316
 Equity	 \$ 905,714	 847,924

### ASSETS

Total assets as at September 30, 2019 totaled \$983,030 compared to \$848,240 as at December 31, 2018. The significant components of total assets are as follows:

#### a) *Cash and cash equivalents*

The Company ended the third quarter of 2019 with cash and cash equivalents of \$474,507 compared to \$617,200 as at December 31, 2018, a decrease of \$142,693 mostly from funding Company's corporate operations in Canada and exploration and evaluation activities in Australia.

#### b) *Exploration and evaluation assets*

Exploration and evaluation assets of \$483,465 as at September 30, 2019 (December 31, 2018 - \$118,109) include the following properties:

<b>Prospects</b>	<b>As at September 30, 2019</b>	<b>As at December 31, 2018</b>
Pilbara Region	\$ 354,563	-
Porcupine Miracle	124,501	113,708
Other	4,401	4,401
<b>Total</b>	<b>\$ 483,465</b>	<b>\$ 118,109</b>

The increase of \$365,356 in Exploration and evaluation assets mostly relates to the Pilbara prospect whereby the purchase of tenements in the Pilbara Region, Western Australia from Valroc for consideration of 1,600,000 of the Company's common shares have been valued at \$200,000 and to the reclassification of the deposits of \$72,796 made on the eight tenements as discussed in *Other assets* below.

#### c) *Other assets*

Other assets of \$75,610 as at December 31, 2018 included deposits of \$72,796 relating to the eight tenements staked to date. Pursuant to the granting of the exploration licences for the eight tenements being completed as of January 9, 2019, the deposits of \$72,796 were reclassified to Exploration and Evaluation assets in the first quarter of 2019.

## LIABILITIES

Total liabilities as at September 30, 2019 were \$77,316 compared to \$316 as at December 31, 2018, an increase of \$77,000 mostly from amounts due to related parties.

Due to related parties of \$50,527 as at September 30, 2019 (December 31, 2018 – due from related parties of \$6,953) include balances owing to Val-d'Or Mining Corporation (“Val-d'Or Mining”), an entity that has common key management with the Company, in the amount of \$27,871 (December 31, 2018 – due from related parties of \$6,953) and to Golden Valley Mines Ltd (“Golden Valley”), a significant shareholder of the Company, in the amount of \$22,656 (December 31, 2018 – due from related parties of \$nil). Refer to “*Related Party Transactions*” below.

## EQUITY

Equity totalled \$905,714 as at September 30, 2019 compared to \$847,924 as at December 31, 2018, an increase of \$57,790 mainly due to the issuance of 1,600,000 shares, valued at \$200,000, relating to the acquisition of Valroc on January 31, 2019, recognition of share-based compensation of \$70,753 relating to incentive stock options granted during the year, offset by the net loss for the nine months ended September 30, 2019 of \$203,794.

## DISCUSSION AND RESULTS OF OPERATIONS

	For the three months ended September 30, 2019		For the nine months ended September 30, 2019	
Operating expenses	\$ 37,250	\$ 33,322	\$ 202,226	\$ 126,596
Other expenses (income)	\$ 1,126	\$ (61)	\$ 1,568	\$ 1,183
<b>Net loss and comprehensive loss</b>	<b>\$ 38,376</b>	<b>\$ 33,261</b>	<b>\$ 203,794</b>	<b>\$ 127,779</b>
<b>Basic and diluted net loss per common share</b>	<b>\$ 0.001</b>	<b>\$ 0.001</b>	<b>\$ 0.008</b>	<b>\$ 0.005</b>

### Three months ended September 30, 2019 compared to three months ended September 30, 2018:

The net loss for the three months ended September 30, 2019 was \$38,376 (or \$0.001 loss per share), compared to \$33,261 (or \$0.001 loss per share) for the same period in 2018, an increase of \$5,115 primarily relating to legal costs in the administration of the eight tenements in Australia.

### Nine months ended September 30, 2019 compared to nine months ended September 30, 2018:

The net loss for the nine months ended September 30, 2019 was \$203,794 (or \$0.008 loss per share), compared to \$127,779 (or \$0.005 loss per share) for the same period in 2018, an increase of \$76,015. The higher net loss in 2019 was mainly due to share-based payment of \$60,172 being recognized on granting of 50,000 incentive stock options at an exercise price of \$0.17 per share in February 2019 and of 450,312 incentive stock options at an exercise price of \$0.16 per share in June 2019. No incentive stock options were granted for the same period in 2018.

## CASH FLOW ANALYSIS

	<b>For the nine months ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
Operating activities	\$ (54,359)	\$ (117,025)
Investing activities	(79,165)	(21,283)
Financing activities	(9,169)	5,000
<b>Decrease in cash</b>	<b>\$ (142,693)</b>	<b>\$ (133,308)</b>

Cash outflows from operating activities for the nine months ended September 30, 2019 totaled \$54,359 compared to \$117,025 for the same period in 2018. The decrease in the use of cash flows for 2019 was mainly due timing of working capital requirements.

Cash outflows from investing activities for the nine months ended September 30, 2019 totalled \$79,165 compared to \$21,283 for the same period in 2018. The cash outflows in 2019 relates to licence renewal and consulting fees for the Pilbara prospects.

Cash outflows from financing activities for the nine months ended September 30, 2019 totalled \$9,169 compared to cash inflows of \$5,000 for the same period in 2018. For the nine months ended September 30, 2019, the Company incurred share issue expenses of \$9,169 relating to the Company's issuance of 1,600,000 of its common shares on acquisition of Valroc on January 31, 2019.

## LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As at September 30, 2019, the Company had a cash position of \$474,507. The Company has access to sufficient funds to meet its current overhead requirements for 2019, which is estimated to be \$150,000 annually. The Company also has sufficient cash and other assets to fund the estimated \$348,000 of annual rent and the minimum annual expenditures required for the newly acquired exploration licences in Pilbara, Western Australia.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To preserve or modify its capital structure and to carry on the development of its mining properties, the Company may issue additional common shares or negotiate new loans. Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months.

Readers are invited to refer to the Risk and Uncertainties section for more information.

## SUMMARY OF QUARTERLY RESULTS

The following selected financial information is for the 8 most recently completed quarters as derived from the Company's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, the notes to those statements and "Results of Operations" herein.

	Sept 2019	Jun 2019	Mar 2019	Dec 2018	Sept 2018	Jun 2018	Mar 2018	Dec 2017
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	37,250	101,385	63,591	65,391	33,322	52,804	42,852	310,239
Other expenses (income)	1,126	182	260	(763)	(61)	2,088	(844)	1,702
<b>Net loss and comprehensive loss</b>	<b>\$ 38,376</b>	<b>\$ 101,567</b>	<b>\$ 63,851</b>	<b>\$ 64,628</b>	<b>\$ 33,261</b>	<b>\$ 54,892</b>	<b>\$ 42,008</b>	<b>\$ 311,941</b>
Basic and diluted net loss per common share	\$ 0.001	\$ 0.004	\$ 0.002	\$ 0.003	\$ 0.001	\$ 0.002	\$ 0.002	\$ 0.013

## COMMITMENTS

Please refer to Note 14 "Commitments" of the unaudited consolidated interim financial statements of the Company for the three and nine months ended and as at September 30, 2019.

## RELATED PARTY TRANSACTIONS

### *Transactions with a shareholder*

For the three and nine months ended September 30, 2019, Golden Valley recharged general and administrative expenses to the Company for a total amount of \$3,105 and \$9,898 (\$3,204 and \$10,922 for the three and nine months ended September 30, 2018), respectively. Moreover, for the three and nine months ended September 30, 2019, Golden Valley recharged consulting fees of \$19,600 (2018 - \$nil), capitalized to Exploration and Evaluation Assets, for the services provided by its CEO.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at September 30, 2019, the Company had a payable of \$22,656 to Golden Valley.

### *Transactions with key management*

Key management personnel of the Company is comprised of the members of the board of directors, as well as the President and Chief Executive Officer and the Chief Financial Officer (“CFO”). The compensation paid to key management is presented below:

- For the three and nine months ended September 30, 2019, the Company incurred consultant fees of \$3,000 and \$9,000 (\$3,000 and \$6,000 for the three and nine months ended September 30, 2018), respectively, from Golden Valley relating to the services of the Company’s CFO. These fees are recorded under audit and accounting fees in the statement of net loss.
- For the three and nine months ended September 30, 2018, the Company incurred fees of \$7,500 and \$15,000 respectively relating to the services of the former CFO. These fees are recorded under audit and accounting fees in the statement of net loss.
- As at September 30, 2019, the Company has an advance to a director of the Company for an amount of \$4,390 (December 31, 2018 - \$14,274) which bears no interest and is repayable on demand. The advance is to facilitate any corporate expenditures relating to the Company’s newly acquired subsidiary, Valroc.

### *Transactions with related parties*

For the three and nine months ended September 30, 2019, Val-d'Or Mining Corporation (“Val-d'Or Mining”), an entity that has common key management personnel with the Company, recharged general and administrative expenses to the Company for a total amount of \$12,395 and \$33,459 (\$nil and \$1,022 for the three and nine months ended September 30, 2018), respectively. Moreover, for the three and nine months ended September 30, 2019, Val-d'Or Mining recharged consulting fees of \$24,000 (2018 - \$nil), capitalized to Exploration and Evaluation Assets, for the services provided by its COO.

For efficiency reasons, where the Company and Val-d'Or Mining are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at September 30, 2019, the Company had a payable of \$27,871 (December 31, 2018 – receivable of \$6,593) to Val-d'Or Mining.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements as at September 30, 2019 or as at the date of this MD&A.

## **JUDGMENT, ESTIMATES AND ASSUMPTIONS**

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the condensed interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the condensed interim financial statements are reasonable; however, actual results may differ materially from these estimates. The areas involving significant judgments, estimates

and assumptions have been detailed in note 5 to the Company's annual audited financial statements for the year ended December 31, 2018.

#### **INFORMATION ON OUTSTANDING SECURITIES**

The following table sets out the number of common shares and options outstanding as of the date hereof:

<b>Outstanding securities as at [REDACTED]</b>		
<b>Common shares outstanding:</b>		27,103,128
<b>Stock options outstanding:</b>		2,660,312
<hr/>		
<b>Expiry date</b>	<b>Exercise price</b>	<b>Number of stock options outstanding</b>
February 28, 2024	\$ 0.170	50,000
June 17, 2024	\$ 0.160	450,312
July 10, 2027	\$ 0.050	1,565,000
December 12, 2027	\$ 0.265	595,000
		<hr/>
		2,660,312

#### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

The changes in accounting policies including those that have not been adopted are explained in note 4 of the unaudited interim consolidated financial statements as at September 30, 2019.

#### **RISKS RELATED TO FINANCIAL INSTRUMENTS**

Please refer to Note 17 "Financial Risks" of the audited financial statements of the Company for the year ended December 31, 2018 for a full description of these risks.

#### **RISKS AND UNCERTAINTIES**

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

##### **Climate Change**

The Company has properties and joint venture agreements in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs directly or indirectly affecting the Company. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea

levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur, directly or indirectly impacting the business of the Company.

**Investment of Speculative Nature**

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

**Nature of Mineral Exploration and Mining**

There are no known mineral resources on the Company's properties. Mineral exploration and development involves a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

**Exploration and Development Risks**

Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

**Country risk**

The Company has operations outside Canada in Australia. The Australian regulatory regime is generally stable. Country risk refers to the risk of investing in a country, dependent on changes in the business environment that may adversely affect operating profits or the value of assets in a specific country. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events contribute to companies' operational risks.

**Additional Financing**

Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

**Stress in the Global Economy and Financial Condition**

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing.

**Permits and Licenses**

There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

**Competition**

The mineral exploration and mining business is competitive in all of its phases. There is no assurance that the Company will be able to compete successfully with the competition in acquiring suitable properties or prospects for mineral exploration.

### No Assurance of Title to Property

The Company's claims may be subject to prior unregistered agreements or transfers or third party and aboriginal land claims and title may be affected by undetected defects.

### Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

### Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

### Conflicts of Interest

The Directors and Officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

### Insurance

The Company will remain at risk and will be potentially subject to liability for hazards associated with mineral exploration which it cannot insure against or which it has elected not to insure against because of premium costs or other reasons.

### Influence of Third-Party Stakeholders

Claims by third parties on the lands in which the Company holds interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or general exploration mandates, even if not meritorious, may create delays resulting in significant financial loss and loss of opportunity for the Company.

### Fluctuation in Market Value of Shares

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity. The future effect of these and other factors on the market price of Company's shares on the Exchange cannot be predicted.