



**INTERNATIONAL PROSPECT VENTURES LTD.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019**

**DATED: August 21, 2020**

## **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 August 21, 2020, and complements the unaudited condensed interim financial statements of International Prospect Ventures Ltd. (the "Company" or "International Prospect"), for the three and six months ended June 30, 2020 and 2019.

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, 2019. 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 August 21, 2020. 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.

International Prospect is the parent company of Valroc Ventures Pty Ltd. ("Valroc"), a New South Wales company, located in Australia.

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

Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, holds a 13.44% interest in the Company as at June 30, 2020 (December 31, 2019 – 16.50%).

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

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). The eight properties cover more than 1,026 square kilometres and are 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 eight tenements are proximal to lands held by Novo Resources, Pacton Gold, and Millennium Minerals. 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. Granting of the exploration licences for all eight properties was completed as of January 9, 2019.

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

Licence	Area (ha)	Description	Known Prospects
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.	-

In 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.

Results from 2019 third party prospecting include 108 gold nuggets (total weight 22.1 g) and 2 gold nuggets (0.8 and 1.2 g) from Licence E46/1197 and 22 g of gold nuggets (ranging from 0.1 to 5.2 g) from five areas on Licence E46/1198. In addition, a single approximately 7.5 troy ounce (233.28 g) gold nugget was reported from Licence E46/1198.

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 currently undertaking extensive data compilation of all publicly available information and data from the eight tenements. Following the completion of the compilation work, the Company will complete planning of 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, north-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 property is subject to a royalty in favour of 2973090 Canada Inc., a company controlled by the President of the Company, equal to 3% of net smelter returns. In addition, advance royalty payments of \$10,000 per annum is payable by the Company, which commenced on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

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 drilling 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. Ditem Explorations Inc. is the operator. No exploration work was conducted on the property for the three and six months ended June 30, 2020.

### 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 46 claims covering an area of 2,447 hectares, within four (4) separate claim blocks. No exploration work was conducted on the properties for the three and six months ended June 30, 2020.

## CORPORATE DEVELOPMENT

### *Non-brokered private placement*

On May 20, 2020, the Company announced that it conducted a non-brokered private placement offering, which offering was completed on June 17, 2020. The Company issued 6,161,109 Units at a per Unit price of \$0.09 for gross proceeds of \$554,500. Each Unit consisted of one common share in the capital of the Company and one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share at a per share price of \$0.13 until June 17, 2022.

The proceeds raised from this offering will be used by the Company to explore the Wits End Prospect in the Pilbara Craton, Western Australia, and to evaluate additional properties and NSR royalties, and for general corporate purposes. All securities issued will be subject to a hold period of four months and one day from the date of closing of the offering in accordance with applicable securities legislation and the policies of the TSX Venture Exchange.

### *Changes to Senior Management*

The Company welcomes Mr. Martin Walter as the new President and CEO of the Company. He has over 20 years of exploration and mine geology experience on precious metal projects worldwide. He is currently Chief Executive Officer at Nubian Resources Ltd. He has also served as a Director of, and led a number of junior mining and development companies listed on the Toronto Stock Exchange including Forrester Resources Corp., Treasury Metals Inc. and Aquiline Resources Inc. Mr. Walter holds a BSc. Degree in Geology from the University of Ballarat, Australia and an MBA from the University of Toronto.

## SELECTED FINANCIAL POSITION

	As at June 30, 2020	As at December 31, 2019
Cash and cash equivalents	\$ 758,516	\$ 336,830
Other current assets	9,094	24,526
Advance to related party	1,465	1,465
Exploration and evaluation assets	595,277	552,303
<b>Total Assets</b>	<b>\$ 1,364,352</b>	<b>\$ 915,124</b>
Accounts payable and accrued liabilities	46,522	1,444
Due to related parties	63,696	101,703
<b>Total Liabilities</b>	<b>\$ 110,218</b>	<b>\$ 103,147</b>
<b>Equity</b>	<b>\$ 1,254,134</b>	<b>\$ 811,977</b>

## ASSETS

Total assets as at June 30, 2020 totaled \$1,364,352 compared to \$915,124 as at December 31, 2019. The significant components of total assets relate to Cash and cash equivalents, and Exploration and evaluation assets.

### *Cash and cash equivalents*

The Company ended the second quarter of 2020 with cash and cash equivalents of \$758,516 compared to \$336,830 as at December 31, 2019, an increase of \$421,686 resulting from the recently completed non-brokered private placement offering of 6,161,109 Units at a per Unit price of \$0.09 for gross proceeds of \$554,500 as discussed above.

### *Other current assets*

Other current assets of \$9,094 as at June 30, 2020 (December 31, 2019 - \$24,526) included sales taxes recoverable of \$8,879 (December 31, 2019 - \$18,266), and prepaid expenses and deposits of \$215 (December 31, 2019 - \$6,260).

### *Advance to related party*

As at June 30, 2020, the Company has an advance to a director in the amount of \$1,465 (December 31, 2019 - \$1,465) which bears no interest and is repayable on demand. The advance is to facilitate any corporate expenditures relating to the Company's operations in Australia.

### *Exploration and evaluation assets*

Exploration and evaluation assets of \$595,277 as at June 30, 2020 (December 31, 2019 - \$552,303) include the following properties:

<b>Prospects</b>	<b>As at June 30, 2020</b>	<b>As at December 31, 2019</b>
Pilbara Region	\$ 490,107	\$ 447,133
Porcupine Miracle	92,050	92,050
Other	13,120	13,120
<b>Total</b>	<b>\$ 595,277</b>	<b>\$ 552,303</b>

The increase of \$42,974 in Exploration and evaluation assets mostly relates to claim and claim maintenance fees for the prospects in the Pilbara Region, Western Australia.

## LIABILITIES

Total liabilities as at June 30, 2020 were \$46,522 compared to \$1,444 as at December 31, 2019, resulting from increases in trade payables.

Amounts due to related parties of \$63,696 (December 31, 2019 - \$101,703) include balances owing to Golden Valley, a significant shareholder of the Company, in the amount of \$63,696 (December 31, 2019 - \$68,520) and to Val-d'Or Mining Corporation ("Val-d'Or Mining"), an entity that has common key management personnel with the Company, in the amount of \$nil (December 31, 2019 - \$33,183). For efficiency reasons, where the Company and the related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other.

## EQUITY

Equity totalled \$1,254,134 as at June 30, 2020 compared to \$811,977 as at December 31, 2019, an increase of \$442,157 mainly due to the issuance of 6,161,109 shares, valued at \$554,500, relating to the private placement offering that closed on June 17, 2020, offset by the net loss for the six months ended June 30, 2020 of \$137,676.

## DISCUSSION AND RESULTS OF OPERATIONS

	For the three months		For the six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Operating expenses	\$ 99,016	\$ 101,385	\$ 137,146	\$ 164,976
Other expenses	(119)	182	530	442
<b>Net loss and comprehensive loss</b>	<b>\$ 98,897</b>	<b>\$ 101,567</b>	<b>\$ 137,676</b>	<b>\$ 165,418</b>
<b>Basic and diluted net loss per common share</b>	<b>\$ 0.004</b>	<b>\$ 0.004</b>	<b>\$ 0.004</b>	<b>\$ 0.006</b>

### Three months ended June 30, 2020 compared to three months ended June 30, 2019:

The net loss for the three months ended June 30, 2020 was \$98,897 (or \$0.004 loss per share), compared to \$101,567 (or \$0.004 loss per share) for the same period in 2019. The slightly lower net loss in 2020 was due to lower audit and accounting fees offset by higher share-based payments.

### Six months ended June 30, 2020 compared to six months ended June 30, 2019:

The net loss for the six months ended June 30, 2020 was \$137,676 (or \$0.004 loss per share), compared to \$165,418 (or \$0.006 loss per share) for the same period in 2019. The lower net loss in 2020 was mainly due to lower audit and accounting fees offset by higher exploration and evaluation expenses.

## CASH FLOW ANALYSIS

	For the six months ended	
	June 30,	
	2020	2019
Operating activities	\$ (56,253)	\$ (69,989)
Investing activities	(42,974)	(7,640)
Financing activities	520,913	(9,169)
<b>Increase (decrease) in cash</b>	<b>\$ 421,686</b>	<b>\$ (86,798)</b>

Cash outflows from operating activities for the six months ended June 30, 2020 totaled \$56,253 compared to \$69,989 for the same period in 2019. The decrease in cash outflows for 2020 was mainly due to timing of working capital requirements.

Cash outflows from investing activities for the six months ended June 30, 2020 totalled \$42,974 compared to \$7,640 for the same period in 2019. Cash outflows in 2020 were related to claim and claim maintenance fees for the Pilbara prospects.

Cash inflows from financing activities for the six months ended June 30, 2020 totalled \$520,913 compared to \$9,169 for the same period in 2019. Cash inflows in 2020 were mainly related to the recently completed non-brokered private placement offering of 6,161,109 Units at a per Unit price of \$0.09 for gross proceeds of \$554,500 as discussed above.

## 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.

	Jun 2020	Mar 2020	Dec 2019	Sept 2019	Jun 2019	Mar 2019	Dec 2018	Sept 2018
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	99,016	38,130	93,269	37,250	101,385	63,591	65,391	33,322
Other expenses (income)	(119)	649	468	1,126	182	260	(763)	(61)
<b>Net loss and comprehensive loss</b>	<b>\$ 98,897</b>	<b>\$ 38,779</b>	<b>\$ 93,737</b>	<b>\$ 38,376</b>	<b>\$ 101,567</b>	<b>\$ 63,851</b>	<b>\$ 64,628</b>	<b>\$ 33,261</b>
Basic and diluted net loss per common share	\$ 0.004	\$ 0.001	\$ 0.003	\$ 0.001	\$ 0.004	\$ 0.002	\$ 0.003	\$ 0.001

## **LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING**

As at June 30, 2020, the Company had a cash position of \$758,516. The Company has access to sufficient funds to meet its current overhead requirements for 2020, which is estimated to be \$150,000. The Company also has sufficient cash to fund its annual rent and the minimum annual expenditures required for the 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.

## **COMMITMENTS**

### *Exploration Expenditure Commitment*

As discussed above, in order to maintain the Company's interest in the tenements in Australia, the Company is committed to meet the annual minimum expenditure of approximately \$356,000 (or AUD\$379,000) under which the tenements were granted.

## **RELATED PARTY TRANSACTIONS**

### *Transactions with a shareholder*

For the three and six months ended June 30, 2020, no amounts were recharged by Golden Valley for general and administrative expenses to the Company (\$3,000 and \$6,793 were recharged for the three and six months ended June 30, 2019, respectively, which were recorded in the statement of net loss).

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 June 30, 2020, the Company had indebtedness of \$63,696 (December 31, 2019 - \$68,520) to Golden Valley, which is included in due to related parties.

### *Transactions with key management*

Key management personnel of the Company comprise 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 six months ended June 30, 2020, no consultant fees (for the three and six months ended June 30, 2019 - \$3,000 and \$6,000, respectively) were by 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.

As at June 30, 2020, the Company has an advance to a director for an amount of \$1,465 (December 31, 2019 - \$1,465) which bears no interest and is repayable on demand. The advance is to facilitate any corporate expenditures relating to the Company's operations in Australia.

#### *Transactions with related parties*

For the three and six months ended June 30, 2020, the Company was recharged exploration and evaluation expenses for a total of \$nil and \$2,063, respectively (general and administrative for the three and six months ended June 30, 2019 of \$8,845 and \$21,163, respectively) from Val-d'Or Mining Corporation ("Val-d'Or Mining"), an entity that has common key management personnel with the Company.

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 June 30, 2020, the Company had no indebtedness (December 31, 2019 – \$33,183) to Val-d'Or Mining.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements as at June 30, 2020 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 6 to the Company's annual audited financial statements for the year ended December 31, 2019.

#### *Uncertainty due to COVID-19*

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty.

In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its Exploration and evaluation assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

## INFORMATION ON OUTSTANDING SECURITIES

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

<b>Common shares outstanding:</b>	33,264,237
<b>Stock options outstanding:</b>	3,325,312

<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
June 26, 2025	\$ 0.110	665,000
July 10, 2027	\$ 0.050	1,565,000
December 12, 2027	\$ 0.265	595,000
		<u>3,325,312</u>

## 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 June 30, 2020.

## RISKS RELATED TO FINANCIAL INSTRUMENTS

Please refer to Note 18 “Financial Risks” of the audited financial statements of the Company for the year ended December 31, 2019 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.

## **ADDITIONAL INFORMATION**

Additional information about the Company may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) by accessing the Company's issuer profile.