TRACTION URANIUM CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2024

Management's Discussion and Analysis

For the Three Months Ended December 31, 2024, Prepared and Approved as of February 28, 2025

The following management's discussion and analysis ("MD&A") has been prepared by management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements for the years ended September 30, 2024 and 2023 and the unaudited condensed interim financial statements for the three months ended December 31, 2024 of Traction Uranium Corp. ("Traction" or the "Company") and notes thereto (together, the "financial statements"). The information provided herein supplements but does not form part of the financial statements. This discussion covers the year ended September 30, 2024 and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars.

Additional information on the Company can be found on SEDAR at www.sedar.com.

The Company's audited financial statements for the year ended September 30, 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim financial statements for the three months ended December 31, 2024 were prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is intended to help the reader understand Traction, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in "Cautionary Note Regarding Forward-Looking Statements" of this MD&A.

Description of Business and Overview

Traction Uranium Corp. was incorporated under the *BC Business Corporations Act* as "Traction Exploration Inc." on July 20, 2020. On November 4, 2021, the Company changed its name to "Traction Uranium Corp." to highlight the Company's intention to focus on the acquisition, exploration and evaluation of uranium mining opportunities. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. On September 1, 2021, the Company's common shares began trading on the Canadian Securities Exchange under the symbol "TRAC".

The Company has not commenced commercial operations. At present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete it's development activities. The Company intends to finance it's future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

General Development of the Business

During the three months ended December 31, 2024, the Company had 505,795 warrants exercisable at $4.00 expire unexercised.

Exploration And Evaluation Assets and Expenses

Staking costs, property option payments and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as exploration and evaluation assets. Other expenditures (i.e. geological and geographical surveys, analysis, mapping, etc.) are expensed as they are incurred.

The following table summarizes the Company's exploration and evaluation assets by property at December 31, 2024.

	Hearty Bay	Key Lake South	Grease River	Total
	$	$	$	$
Balance, September 30, 2024 and December 31, 2024	**2,768,559**	**-**	**159,375**	**2,927,934**

The Company did not incur any exploration and evaluation expenses during the three months ended December 31, 2024.

a) Hearty Bay Property

On October 30, 2021 the Company entered into an option agreement with F3 Uranium Corp. (formerly known as Fission 3.0 Corp.) ("F3 Uranium") whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Hearty Bay property in Saskatchewan (together the "Hearty Bay Option Agreement").

Pursuant to the Hearty Bay Option Agreement, the Company will acquire up to a 70% interest in the Hearty Bay property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures. On February 28, 2023, the Hearty Bay Option Agreement was amended, with the revised series of cash payments, issuances of common shares, and required exploration expenditures outlined in the following schedule:

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
Phase 1: Acquire 50%			
Seven days after effective date of Dec 9, 2021 (met)	$300,000	-	-
December 9, 2022 (met)	$100,000	-	$1,000,000
June 9, 2023 (met)	$100,000	-	-
December 9, 2024 (cash payment – met)	$150,000	-	$2,000,000
Phase 2: Acquire Additional 20% (Total 70%)			
June 6, 2025	$150,000	-	-
December 9, 2025	$200,000	-	$3,000,000

During the year ended September 30, 2024, the Hearty Bay option agreement and royalty agreement were transferred from F3 to F4 Uranium Corp. ("F4") by way of a plan of arrangement.

F4 will retain a 2% net smelter royalty ("NSR") on the property.

During the three months ended December 31, 2024, the Company issued no common shares and paid $nil in cash as part of the Hearty Bay Option Agreement (2023 – nil common shares and $150,000 in cash).

As at December 31, 2024, the Company is in negotiations with F4 to extend the terms of the option agreement as detailed above, and is not in default of any milestones required by the original agreement.

b) **Key Lake South Property**

On August 15, 2022, the Company entered into a property option agreement with UGreenco Energy Corp. (the "Vendor") (a related party as of September 9, 2022) pursuant to which the Company has been granted the right to acquire up to a 75% interest in and to the Key Lake South Property, which consists of a series of mineral disposition parcels located in Athabasca Basin, North Saskatchewan, Canada (together the "Key Lake South Option Agreement").

Pursuant to the Key Lake South Option Agreement, the Company will acquire up to a 75% interest in the Key Lake South property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances[(1)]	Exploration Expenditures[(2)]
Phase 1: Acquire 51%			
Seven days after effective date (met)	$50,000	-	-
60 days after the effective date (met)	-	$100,000	-
December 31, 2022 (met)	-	-	$150,000
December 31, 2023	$200,000	$200,000	$1,500,000
December 31, 2024	$750,000	$750,000	$6,500,000
Phase 2: Acquire Additional 24% (Total 75%)			
December 31, 2025	$750,000	$750,000	$6,500,000

Notes:

1) Total value of common shares to be issued. Common shares to be valued based on the Canadian Securities Exchange price on the day of issuance.
2) The exploration expenditures commitment for 2023 onwards can also be fulfilled if certain drilling milestones are met (i.e. 7,500 metres of diamond drilling on the property).

During the year ended September 30, 2024, the Company did not issue the consideration payments outlined by the option agreement as the project was not pursued further (September 30, 2023 – issued 289,855 common shares and paid $nil in cash). As a result, the agreement was terminated. Accordingly, the Key Lake South Property was impaired in accordance with Level 3 of the fair value hierarchy, and $150,000 of impairment expense was recognized.

c) Grease River

On February 3, 2023, the Company entered into an option agreement with Forum Energy Metals Corp. ("Forum"), whereby the Company will be granted the right to earn and acquire up to a 100% interest in the Grease River Property in Saskatchewan (together, the "Grease River Option Agreement").

Pursuant to the Grease River Option Agreement, the Company will acquire up to a 100% interest in the Grease River property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances[(1)]	Exploration Expenditures
Phase 1: Acquire 51%			
February 10, 2023 (Met)	$25,000	-	-
March 1, 2023 (Met)	-	125,000	-
December 31, 2023	$50,000	400,000	$500,000
December 31, 2024	$75,000	500,000	$1,000,000
December 31, 2025	$100,000	750,000	$1,500,000
Phase 2: Acquire Additional 19% (Total 70%)			
December 31, 2026	$200,000	1,000,000	$1,500,000
December 31, 2027	$500,000	1,500,000	$1,500,000
Phase 3: Acquire Additional 39% (Total 100%)			
December 31, 2028	$1,000,000	3,000,000	$3,000,000

Note:

1) Total number of common shares to be issued. Common shares to be valued based on the Canadian Securities Exchange price on the day of issuance.

During the three months ended December 31, 2024, the Company issued no common shares and paid no amounts in cash as part of the Grease River Option Agreement (September 30, 2024 - 25,000 common shares and paid $50,000 in cash).

As at December 31, 2024, the Company is in negotiations with Forum to extend the terms of the option agreement as detailed above, and is not in default of any milestones required by the original agreement.

Trends

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of gold, silver and other minerals have fluctuated widely in recent years and wide fluctuations may continue. Management is not aware of any trends, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

Financial Results of Operations

Selected Financial Information

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:

	December 31, 2024	September 30, 2024	September 30, 2023
Total revenue	$Nil	$Nil	$Nil
Net loss	$71,531	$3,075,944	$9,360,804
Loss per common share, basic and diluted	$(0.01)	$(0.34)	$(1.38)
Total assets	$3,719,282	$3,956,296	$5,298,436
Long-term debt	$Nil	$Nil	$Nil
Dividends paid/payable	$Nil	$Nil	$Nil

Quarterly Financial Results

	Quarter Ended December 31, 2024	Quarter Ended June 30, 2024	Quarter Ended March 31, 2024	Quarter Ended December 31, 2023	Quarter Ended September 30, 2023	Quarter Ended June 30, 2023	Quarter Ended March 31, 2023	Quarter Ended December 31, 2022	Quarter Ended September 20, 2022
Cash	$614,796	$722,647	$586,308	$813,853	$2,284,350	$1,861,425	$2,643,358	$354,490	$2,637,411
Total assets	$3,719,282	$3,826,320	$3,874,220	$4,090,306	$5,452,575	$5,298,436	$7,317,266	$5,064,207	$5,848,524
Shares outstanding	9,260,912	9,260,912	9,055,913	9,025,913	8,651,389	8,320,165	7,720,165	6,688,034	6,024,927
Net loss	$71,531	$81,165	$261,544	$1,376,052	$1,331,135	$2,060,068	$3,386,796	$1,537,165	$2,376,775
Loss per common share (basic and diluted)	$(0.01)	$(0.01)	$(0.02)	$(0.15)	$(0.15)	$(0.25)	$(0.44)	$(0.23)	$(0.39)

The decrease in cash for the quarter ended December 31, 2024 was primarily a result of consulting fees of $52,125 incurred related to the Company's key management personnel. The net loss for the quarter ended December 31, 2024 was largely due to the same consulting fees, along with filing fees of $7,283, office and miscellaneous costs of $8,883, and professional fees of $3,240.

The increase in cash for the quarter ended September 30, 2024 was primarily a result of a $339,026 return of cash call deposits related to the Grease River property. The return of cash was offset by consulting fees of $72,000. The net loss for the quarter ended September 30, 2024 was largely due to the consulting fees noted above, along with filing fees of $14,243, office and miscellaneous costs of $11,973, and professional fees of $17,495.

The decrease in cash for the quarter ended June 30, 2024 was primarily a result of exploration and evaluation expenses of $174,594, along with $71,750 of consulting expenses. The net loss for the quarter ended June 30, 2024 was largely due to the same factors.

The decrease in cash for the quarter ended March 31, 2024 was primarily a result of the purchase of exploration and evaluation assets for $50,000, coupled with exploration and evaluation expenses of 1,171,721. The net loss for the quarter ended March 31, 2024 was primarily a result of the exploration and evaluation expenses noted above, as well as consulting fees of $87,000, filing fees of $32,329, and flow-through taxes paid for $64,019.

The increase in cash for the quarter ended December 31, 2023 was primarily a result of the completion of two non-brokered private placements for proceeds of $1,031,274 net of share issuance costs. In addition, proceeds on warrant exercises completed during the previous quarter of $250,000 were received. The net loss for the quarter ended December 31, 2023 was mainly a result of exploration and evaluation expenses outlined above, as well as share-based compensation expense of $490,000 related to the issuance of restricted share units in December 2023.

The decrease in cash for the quarter ended September 30, 2023 was primarily a result of exploration and evaluation expenses of $1,808,313, offset by warrant exercises total cash proceeds of $285,000. The net loss for the quarter ended September 30, 2023 was mainly a result of the exploration and evaluation expenses noted above, as well as advertising and marketing expenses of $124,169, consulting fees of $107,250, office and miscellaneous expenses of $21,932, and professional fees of $47,411 related to legal and accounting services.

The increase in cash for the quarter ended June 30, 2023 was primarily a result of the completion of two non-brokered private placements for proceeds of $3,759,940 net of share issuance costs. This was offset by exploration and evaluation expenses of $480,661 and advertising and marketing fees of $1,200,083 in relation to advisory services, marketing campaigns, website development and corporate marketing. The net loss for the quarter ended June 30, 2023 was mainly a result of the costs noted above, as well as share-based compensation expense of $1,485,376 recorded on restricted share units and share purchase options that were granted to certain directors and consultants of the Company.

The decrease in cash for the quarter ended March 31, 2023 was primarily a result of advertising and marketing fees of $1,168,234 in relation to advisory services, marketing campaigns, website development and corporate marketing, as well as an increase to prepaid expenses of $1,397,872 related to exploration and evaluation expenses and advertising and marketing fees. This was offset by the completion of a non-brokered private placement for proceeds of $445,382 net of share issuance costs. The net loss for the quarter ended March 31, 2023 was mainly a result of the costs noted above, as well as share-based compensation expense of $49,545 recorded on restricted share units and share purchase options that were granted to certain directors and consultants of the Company, consulting fees of $91,500 (which includes fees paid to senior management, as well as directors of the Company) and professional fees of $68,766.

The increase in cash for the quarter ended December 31, 2022 was primarily a result of the completion of two non-brokered private placements for proceeds of $2,723,838 net of share issuance costs. This was offset by exploration and evaluation expenses of $467,271 and advertising and marketing fees of $572,842 in relation to advisory services, marketing campaigns, website development and corporate marketing. The net loss for the quarter ended December 31, 2022 was mainly a result of the costs noted above, as well as share-based compensation expense of $1,198,177 recorded on restricted share units and share purchase options that were granted to certain directors and consultants of the Company, consulting fees of $76,000 (which includes fees paid to senior management, as well as directors of the Company) and professional fees of $21,883.

Results of Operations

Three months ended December 31, 2024 and 2023

The Company incurred a net loss of $71,531 for the three months ended December 31, 2024 compared to a net loss of $1,331,135 for the comparable period in 2023. The loss in 2024 can be attributed mainly to reduced exploration and evaluation expenses related to geophysics expenses at Hearty Bay and Grease River, consulting, office and miscellaneous, and professional fees.

For the three months ended December 31, 2024, the Company incurred $nil advertising and marketing fees compared to $nil for the comparable period in 2023. The costs were consistent between comparable periods.

For the three months ended December 31, 2024, the Company incurred consulting fees of $52,125 (2023 - $101,750). The decrease was mainly due to the reduced usage of consultants during the current quarter.

For the three months ended December 31, 2024, the Company incurred $nil exploration and evaluation expenditures (2023 – $490,512). The decrease in expenditures were primarily due to the impairment of Key Lake South and the cessation of exploration activities related to the property, along with activities at Grease River reduced while management evaluates future opportunities.

For the three months ended December 31, 2024, the Company incurred transfer agent and filing fees of $7,283 (2023 - $14,872). Transfer agent and filing fees decreased due to reduced corporate activities.

For the three months ended December 31, 2024, the Company incurred office and miscellaneous costs of $8,883 compared to $14,872 for the comparable period in 2023. The decrease is related to the costs related to office space and supplies for the Company.

For the three months ended December 31, 2024, the Company incurred professional fees of $3,240 compared to $60,930 for the comparable period in 2023. The decrease in 2024 was a result of decreased legal and accounting fees.

For the three months ended December 31, 2024 and 2023, the Company incurred share-based compensation costs of $nil compared to $490,000 for the comparable period in 2023. Share-based compensation costs decreased due to the absence of new share-based awards in the current period.

For the three months ended December 31, 2024, the Company incurred travel costs of $nil (2023 - $2,503). Costs incurred in 2023 were for general activities for the Company (i.e. meetings, potential acquisitions, conferences).

Liquidity and Capital Resources

As the Company is in the exploration phase, it does not receive nor does it anticipate receiving any revenue in the next fiscal year. The Company's mineral interests do not currently generate cash flow from operations.

During the quarter ended December 31, 2024, the Company's cash and cash equivalents decreased by $107,851 from $722,647 at September 30, 2024.

Cash used in operating activities amounted to $107,851 (2023 - $458,349) resulting from a smaller net loss of $107,851 in 2024 compared to $1,331,135 in 2023.

Cash used in investing activities amounted to $nil (2023 - $150,000). For the same period in the prior year, expenditures were primarily related to the Hearty Bay Option Agreement.

Cash received from financing activities totaled $nil (2023 - $1,031,274). The cash received in the comparable period was primarily attributable to the closing of non-brokered private placements during the three months ended December 31, 2023. These included two tranches of flow-through units, as well as one tranche of LIFE units.

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

At December 31, 2024, the Company had working capital(1) of $359,995 (September 30, 2024 - $431,526) which included cash of $614,796 (September 30, 2024 - $722,647) available to meet liabilities of $431,353 (September 30, 2024 - $466,860). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has no long-term debt.

At December 31, 2024, the Company had not advanced its exploration and evaluation properties to commercial production. The Company's continuation as a going concern is dependent upon the successful results from exploration activities on its mineral properties and its ability to attain profitable operations and generate cash from its operations in the foreseeable future.

(1) Non-GAAP Financial Measure:
The Company uses "working capital" to assess liquidity and general financial strength and is calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is referred to as a "Non-GAAP Financial Measure." It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies. Working capital is calculated as current assets, less current liabilities.

Subsequent Events

The Company did not have subsequent events to disclose.

Outstanding Share Data

As at the date of this report, the Company had 9,260,913 issued and outstanding common shares, 122,500 options, nil RSUs and 1,152,933 share purchase warrants outstanding.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions as of the date of this MD&A.

Transactions with Related Parties

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

The aggregate value of transactions relating to key management personnel during the three months ended December 31, 2024 and 2023 were as follows:

	2024	**2023**
	$	**$**
Consulting fees – CEO	15,000	27,000
Consulting fees – CFO	22,500	22,500
Director fees	-	18,000
Share-based compensation	-	420,000
Total	**37,500**	**487,500**

As at September 30, 2024, $76,525 (September 30, 2024 - $86,900) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

Related entities include those with which members of the Company's key management personnel are also considered to be key management personnel. Transactions with these entities are considered to be related party transactions. For the three months ended December 31, 2024, the Company did not issue any common shares or cash to any such party. (2023 – nil).

Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in Note 4 of the Company's audited financial statements for the year ended September 30, 2024.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

In preparing this MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

Financial Instruments

The Company's financial instruments as at December 31, 2024 include cash, restricted cash, accounts receivables, prepaid expenses and accounts payable and accrued liabilities.

The Company's financial assets and financial liabilities are classified and measured as follows:

Financial instrument	Category
Cash / restricted cash	Fair value through profit or loss
Accounts receivable	Amortized cost
Prepaid expenses	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Flow-through liability	Amortized cost

The carrying values of financial assets and liabilities approximate their fair values due to the short-term maturity of these financial instruments.

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash, restricted cash and accounts receivables. The Company is not exposed to significant credit risk as its cash and restricted is placed with a major Canadian financial institution. The Company's accounts receivable is comprised of GST receivable from the Canadian Revenue Agency, thus the risk is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at December 31, 2024, the Company has a working capital of $359,995 (September 30, 2024 - $431,526) and it does not have any long-term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company intends to seek additional financing to better manage its liquidity risk to ensure it will have sufficient liquidity to meet its current and future liabilities. All of the Company's accounts payable and accrued liabilities are due within 90 days of period end.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

(d) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. The Company has limited exposure to these risks. The Company does not engage in any form of derivative or hedging instruments.

Additional Risks Related to the Company's Business

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.
The Company's directors and officers are involved in other business activities. As a result of their other business endeavors, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

History of losses
The Company has incurred losses in the period from incorporation on July 13, 2021 to December 31, 2024. The Company may not be able to achieve or maintain profitability and will continue to incur significant losses in the future.

Dependence on suppliers and skilled labour
The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

Management of growth
The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its human capital base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Internal controls
Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Company's shares.

Liquidity

The Company cannot predict at what prices the Company's securities will trade and there can be no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Company.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for Company's shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources.

Privacy

The Company and its employees and consultants have access, in the course of their duties, to personal information of clients of the Company. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking statements". Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed elsewhere in this MD&A. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or various of such words and phrases or state certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ. Such factors include, among others, risks related to actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in minerals resources, grade or recovery rates, accidents, labour disputes, title disputes and other risks of the mining industry, fluctuation of currency exchange rates, delays in obtaining, or inability to obtain, required governmental approvals or financing or in the completion of development or construction activities, claims limitations on insurance coverage, as well as other factors discussed under "Risk Factors". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this MD&A are made as of the date of this MD&A. There can be no assurance that forward-looking 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 assume the obligations to update forward-looking statements, except as required by applicable law.