



SALi

SALi LITHIUM CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED 30 NOVEMBER 2024

Stated in Canadian Dollars

Date: 29 January 2025

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TO OUR SHAREHOLDERS

SALi Lithium Corp. (the “Company” or “SALi”) provides this Management Discussion and Analysis (“MD&A”) of financial position and results of operations as of 29 January 2025. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months and nine months ended 30 November 2024 and the notes thereto, as well as the audited consolidated financial statements of South American Lithium Corp. for the years ended 29 February 2024, which have been prepared in accordance with IFRS Accounting Standards. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The Company has prepared this MD&A following the requirements of National Instrument 51-102, Continuous Disclosure Obligations.

FORWARD LOOKING STATEMENTS

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company’s filings and herein.

Additional information regarding the Company, including copies of the Company’s continuous disclosure materials is available through the SEDAR+ at www.sedar.com.

The table below sets forth the significant forward-looking information included in this MD&A:



Table 1 Forwarding-looking information

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	The Company will be able to raise these funds	Failure to raise these funds will materially impact the Company’s ability to continue as a going concern

DESCRIPTION OF BUSINESS

On 17 May 2024, the Company (then “Pursuit Gold Corp.”, previously listed on the Canadian Securities Exchange (“CSE”) under the symbol PUGS) (“Pursuit”) acquired all of the outstanding shares of 1477445 B.C. Ltd. (formerly South American Lithium Corp, an Alberta corporation) (“1477445 B.C. Ltd.”) by way of a three-cornered amalgamation, pursuant to which a wholly-owned subsidiary of Pursuit (“1477430 B.C. Ltd.” or “Subco”) amalgamated with 1477445 B.C. Ltd. to create the amalgamated company and surviving wholly-owned subsidiary of the Company: 14841799 B.C. Ltd (“14841799 B.C. Ltd.”). On 17 May 2024, Pursuit changed its name to “SALi Lithium Corp.” (“SALi” or the “Company”) and on 4 June 2024, the Company resumed trading on the CSE under the symbol “SALi”. This transaction constituted a reverse acquisition (“RTO”) for the purposes of Canadian securities laws (Note 3 in the condensed interim consolidated financial statements). 1477445 B.C. Ltd. has been identified as the accounting acquirer, and accordingly, the Company is considered to be a continuation of 1477445 B.C. Ltd., and the net assets of Pursuit at the date of the RTO are deemed to have been acquired by 1477445 B.C. Ltd. These financial statements include the results of operations of Pursuit from 17 May 2024. The comparative figures are those of 1477445 B.C. Ltd. prior to the RTO.

The Company is in the exploration stage and in the process of exploring mineral properties in Argentina. To date, no mineral development projects have been completed and no commercial development or production has commenced. The recoverability of the amounts shown for exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development programs and ultimately upon future profitable production.



HIGHLIGHTS FOR THE NINE-MONTH PERIOD ENDED 30 NOVEMBER 2024

(UP TO THE DATE OF THIS MD&A)

On 17 May 2024, the Company completed a RTO of 1477445 B.C. Ltd., by way of a three-cornered amalgamation carried out under the Business Corporations Act (British Columbia).

The RTO was carried out pursuant to the amalgamation agreement dated 14 July 2023 (the “Amalgamation Agreement”) between the Company and 1477445 B.C. Ltd. as reinstated and amended on 29 January 2024 and amended on 30 April 2024. Under the RTO, the Company acquired all of the outstanding shares of 1477445 B.C. Ltd. by way of a three-cornered amalgamation, pursuant to which, Subco amalgamated with 1477445 B.C. Ltd. to create the amalgamated company and surviving wholly owned subsidiary of the Company: 14841799 B.C. Ltd.

Pursuant to the RTO, former shareholders of 1477445 B.C. Ltd. received an aggregate of 34,503,325 common shares of the Company in exchange for their common shares on a one-for-one basis and all outstanding 1477445 B.C. Ltd. warrants and incentive options became exercisable into SALi shares in accordance with their terms. The Company now has an aggregate of 50,752,325 shares issued and outstanding.

The transaction resulted in 1477445 B.C. Ltd. obtaining control over the combined entity by obtaining control of governance and management decision-making processes, and the resulting authority to govern the financial and operating policies of the combined entity.

The transaction constituted a reverse acquisition of Pursuit by 1477445 B.C. Ltd. and has been accounted for as a reverse takeover transaction in accordance with IFRS 2, share-based payments. The Company did not meet the definition of a business in accordance with IFRS 3, Business Combinations, as such, the transaction does not constitute a business combination.

For accounting purposes, 1477445 B.C. Ltd. is treated as the accounting parent (legal subsidiary) and Pursuit as the accounting subsidiary (legal parent). The fair value of the consideration paid by 1477445 B.C. Ltd., less the fair value of net assets acquired of Pursuit, constitutes a listing expense and has been recorded in the statement of loss and comprehensive loss.

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The RTO was measured at the fair value of the shares that 1477445 B.C. Ltd. would have had to issue to the shareholders of Pursuit, being 16,449,000 common shares, to give the shareholders of Pursuit the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of 1477445 B.C. Ltd. acquiring Pursuit.

The fair value of the consideration issued to acquire the net assets of the Company is as follows:

Consideration paid for reverse acquisition

6,449,000 common shares	\$ 4,934,700
Fair value of replacement options	202,983
Total consideration	<u>\$ 5,137,683</u>

Fair value of net assets acquired

Cash	\$ 1,238
Receivables	5,713
Prepays	3,500
	<u>10,441</u>
Accounts payable and accrued liabilities	(141,558)
Promissory notes	(32,152)
	<u>(173,710)</u>

Net identifiable assets acquired \$ (163,259)

Excess consideration over net assets acquired \$ 5,300,942

Listing expense \$ 5,300,942

Upon the closing of the RTO, assets and liabilities of 1477445 B.C. Ltd. were recognized by the resulting issuer at carrying values whereas Pursuit's assets and liabilities were accounted for at their fair value. Pursuit's share capital, contributed surplus, and deficit at the time of the RTO Transaction were eliminated.



EVALUATION AND EXPLORATION ASSETS

Acquisition of Latin Minerals

	Latin Metals
Acquisition Costs:	
Deferred acquisition costs	\$ 69,800
Shares issued on acquisition	500,000
Cash paid on acquisition	400,080
Total acquisition costs	\$ 969,880
Exploration Costs:	
43-101 – Technical Report	\$ 36,048
Total exploration costs for the period	36,048
Total costs, 30 November 2024	\$ 1,005,928

On 29 September 2022, the Company entered into a letter of intent with Latin Metals Inc. (“Latin Metals”) and its subsidiary, Cardero Argentina S.A. (“Cardero”), for the option to acquire 100% of Cardero’s interest in certain mining concessions comprising the El Quemado Project located in Salta, Argentina. In consideration for the option and exclusivity period granted, the Company paid a non-refundable amount of USD \$50,000 (\$69,800) to Latin Metals.

On 01 March 2023, the Company, Latin Metals and Cardero entered into an agreement for the purchase of certain mining properties that form part of the El Quemado Project located Salta, Argentina. Key terms include the following:

- \$400,000 to be paid within 10 days of the period granted for acceptance of the offer (paid).
- \$500,000 in units of the Company to be paid within 10 days from acceptance, as follows:
 - 1,000,000 common shares (issued), and
 - 1,000,000 common share purchase warrants exercisable at \$1.00 per warrant for a 5 year term (issued).
- Up to \$150,000 for certain properties for which the Company obtains approval of an investment plan, as defined in the agreement.



In addition, the Company shall grant Latin a 2% royalty over the net smelter return (the "Royalty"). Latin will have the right, at any time prior to a production decision, to purchase one half of the Royalty from the Royalty Holder for USD\$3,000,000 (\$4,072,500), in which case the Royalty will be reduced to 1%.

The Company is in the process of having title of the concessions transferred.

Acquisition of El Quemado Project

	El Quemado Project
Purchase price:	
Fair value of acquisition costs	\$ 675,665
Non-controlling interest	289,570
Total consideration	<u>965,235</u>
Exploration and evaluation assets, 30 November 2024	<u>\$ 965,235</u>

On 30 May 2022, the Company entered into a letter of intent with Enrique José Vidal and Francisco Vidal (collectively, the "Vidals") for the sale and acquisition of the El Quemado Project (the "Project") located in the province of Salta, Argentina. In compensation for the negotiations to be held, the Company paid USD\$50,000 (\$64,670).

On 23 August 2022, the Company entered into a series of agreements (the "Agreement") with the Vidals to acquire 70% of the shares of Minera Ansotana S.A., owner of 22 mining concessions making up the El Quemado Project, as well as the option to purchase an additional 4 concessions connected to the Project (collectively, the "Purchase Options") from Enrique José Vidal upon completion of the following:

- An initial payment of US\$120,000 (\$164,207) and US\$30,000 (\$41,052) within 15 days of signing (\$205,259 paid to date);
- US\$240,000 (\$324,589) and US\$60,000 (\$81,177) to be paid within 6 months of signing the agreement and upon notice of exercise of the option (the "Option Date"), provided that the primary exploration campaign is satisfactory (paid);

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- Upon the shares being transferred and the additional concessions being notarized in the name of Minera Ansotana S.A., the Company shall pay US\$160,000 and US\$40,000 every 6 months until a Pre-feasibility
- Study ("PFS") under National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI-43-101") or Australasian Joint Ore Reserves Committee ("JORC") codes is presented;
- Following the PFS, a payment of US\$400,000 and US\$100,000 shall be paid within 15 days; and
- Upon completion of a Feasibility Study, an additional payment of US\$400,000 and US\$100,000 shall be paid within 15 days.

On 22 March 2023, the Purchase Options were exercised under the Agreement and the Company assigned the 4 concessions to Minera Ansotana S.A. who is the final owner of 100% of the mining properties that make up the Project. The Company owns 70% of the shares of Minera Ansotana S.A. and, therefore, 70% of the Project.

The Company has accounted for the acquisition as a purchase of assets. The acquisition did not qualify as a business combination under IFRS 3, Business Combinations, as the significant inputs, processes and outputs, that together constitute a business, did not exist in these projects at the time of acquisition.

On 26 December 2023, the Company entered into an amending agreement with the Vidals to delay the commencement of the payments of US\$160,000 and US\$40,000 due every nine months to the Vidals until a PFS is completed. The Company agreed to issue the Vidal parties an aggregate of 1,000,000 common shares (issued). The Company recognized an expense of \$300,000 related to the agreement in the year ended 29 February 2024. The agreement includes a right in favour of the Vidal parties until the Province of Salta approves the first of the environmental reports to propose a bona fide third-party qualified purchases for Minera Ansotana S.A. in which case the Company and either match the offer to acquire the balance of Minera Ansotana S.A. shares or resume the suspended payments and continue the Minera Ansotana Agreement and pay additional compensation to the Vidal parties of US\$4,000,000 in the Company's shares. If the Company does not elect within 10 business days to do either, then the Vidal parties will have the right to complete the sale to the third-party purchases within 30 days and the Company will be entitled to receive US\$8,000,000 for its 70% interest in Minera Ansotana.



Acquisition of Alsina Property

	Alsina Property
Purchase price:	
Fair value of acquisition costs	\$ 243,527
Total consideration	243,527
Purchase price allocation:	
Exploration and evaluation assets, 30 November 2024	\$ \$243,527

On 05 July 2023, the Company, Simon Perez Alsina and Yacones SRL entered into an agreement to purchase certain mining properties located in Salta Argentina. Key terms include the following:

- US\$80,000 to be paid within 10 days of the execution date (\$105,987 paid)
- US\$80,000 to be paid within 60 days of the execution date (\$137,540 paid)
- US\$120,000 to be paid within 18 months of the execution date which can be paid in cash or shares issued by the Company
- US\$150,000 to be paid within 24 months of the execution date which can be paid in cash or shares issued by the Company
- US\$650,000 to be paid within 30 months of the execution date which can be paid in cash or shares issued by the Company

Acquisition of property claims in Quebec

During October 2023, the Company purchased various claims in Quebec, Canada for consideration of \$106,248 for 35,496 hectares of land for future exploration. The Company owns 100% working interest in these claims.

Liquidity, Cash Flows and Capital Resources

	Period ended 30 Nov 2024	Period ended 30 Nov 2023

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Sources and Uses of Cash

Cash used in operations prior to changes in working capital	\$ (643,606)	\$ (598,731)
Changes in non-cash working capital	92,286	128,434
Cash used in operating activities	(551,320)	(470,297)
Cash provided by (used in) investing activities	275,995	(1,191,639)
Cash provided by financing activities	10,164	1,690,221
Change in cash	\$ (265,234)	\$ 28,285

CORPORATE OVERVIEW
Trends, Risks, and Market Conditions
SUMMARY OF QUARTERLY RESULTS

	Nov 2024	Aug 2024	May 2024	Feb 2024	Nov 2023	Aug 2023	May 2023	Feb 2023
Year ended	\$	\$	\$	\$	\$	\$	\$	\$
Total revenues	-	-	-	-	-	-	-	-
Net loss after income tax	(452,481)	(229,274)	(5,468,982)	(685,292)	(157,067)	(705,255)	(1,138,012)	(109,660)
Net comprehensive income (loss) for the period	(452,481)	(229,274)	(5,468,982)	(685,292)	(157,067)	(705,255)	(1,138,012)	(109,660)
Net loss per share (basic and diluted)	(0.00)	(0.05)	(0.15)	(0.03)	(0.01)	(0.03)	(0.05)	(0.01)
Total assets	2,800,057	2,901,859	2,840,149	3,337,886	3,532,851	3,039,378		1,469,589
Working Capital deficiency	147,057	249,521	763,768	822,323	1,027,859	787,227		

RESULTS FROM OPERATIONS

For the three-month period ended 30 November 2024, the Company recorded a net loss of \$452,481 versus \$160,580 during the three-month period ended 31 August 2023. For the nine-month period ended 30 November 2024, the Company recorded a net loss of \$6,152,508 versus \$2,011,131 during the nine-month period ended 30 November 2023. The main fluctuations in costs are as follows:

Share-based compensation (rounded to the nearest '000)	3 months 2025	3 months 2024	9 months 2025	9 months 2024
	253,000	-	\$ 253,000	\$ 1,412,000
Variance	253,000		(1,159,000)	

In the nine months of fiscal 2023 the company granted substantial options, the value was calculated through Black Scholes ("BS"), this compares with \$253,000 in option compensation for the nine months in

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2024. The variance relates to both the quantity of options and a lower BS option value, which arose primarily because the options granted in 2024 were not in the money at the time of grant. For the three months in the period under review options for granted, however none were granted in the prior year three-month comparative.

Professional fees (rounded to the nearest '000)	3 months 2025	3 months 2024	9 months 2025	9 months 2024
	(12,000)	-	\$ 191,000	\$ -
Variance	12,000		191,000	

Professional fees are related to fees incurred relating audit and professional support relating to the RTO, and there was a small recovery in the 3 month period under review. These fees are expected to normalize in the coming periods.

Listing expenses (rounded to the nearest '000)	3 months 2025	3 months 2024	9 months 2025	9 months 2024
	-	-	\$ 5,301,000	\$ -
Variance	-		5,301,000	

Listing expenses, relate to the recent achievement of becoming listed on the CSE. This expense is not expected to recur.

LIQUIDITY AND FINANCIAL CONDITION OF THE COMPANY

Liquidity indicators for the six month periods ended	30 Nov 2024	29 Feb 2024
Non-Cash used in operations prior to changes in working capital	\$ (643,606)	\$ (256,012)
Changes in non-cash working capital	\$ 92,286	\$ 78,397
Cash used in operating activities	(551,320)	(177,615)
Cash provided by (used in) investing activities	\$ 275,955	\$ (841,864)
Cash provided by financing activities	10,164	724,085
Change in cash	(265,234)	(295,394)

Operating Activities

The changes in operating activities, as detailed above, are in the normal course of business, other than the non-cash amount of \$5,160,885 for the RTO.



Investing Activities

There was no investing activity to report on in the period under review. For the nine months ended 30 November, 2023, the total cash used for investing activities was \$1,191,639 which reflects expenditures on the Company's exploration and evaluation assets.

Financing Activities

For the three months ended 30 November 2024 there essentially no activity. For the nine months ended 31 November 2024, the total cash provided by financing activities was \$10,164, which relates to a small financing and the receipt of a promissory note, less issuance costs. In the prior year three and nine month period there was financing activity of \$634,500 and 1,690,221, respectively. All of the activity related to the net cash received on placements and subscriptions received.

Management believes raising capital is extremely challenging and therefore, it is paramount to continue to undertake unique financing and special projects that will create cash flow opportunities.

Historically the capital requirements of the Company have been met by equity subscriptions (i.e., private placements, option exercises, warrant exercises).

Additional sources of working capital may come from the earn-in agreements. The Company continues to seek exploration and development partners on other properties in its portfolio to further supplement revenue and working capital. Furthermore, the Company continues to seek resource opportunities that will create revenue streams that will provide recurring cashflow for its operations.

Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party

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transaction when there is a transfer of resources or obligations between related parties. Transactions and balances, not disclosed elsewhere in these financial statements, with related parties are as follows:

As at 30 November 2024 \$nil (29 February 2024 - \$15,000) was due from related parties. The amount is unsecured, non-interest bearing and due on demand. As at 30 November 2024 \$63,533 (29 February 2024 \$84,090) was due to officers or directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

During the year ended 29 February 2024, the Company incurred and paid consulting fees of \$230,944 to directors of the Company.

DISCLOSURE OF OUTSTANDING SHARE DATA

	30 Nov 2024	29 Feb 2024
Common shares issued and outstanding	184,458,804	169,373,375
Warrants outstanding	2,857,142	40,651,027
Options outstanding	11,420,675	13,116,075
Fully diluted share capital	198,726,621	223,140,477

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company does not have any commitments, expected or unexpected, or uncertainties.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors and/or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (British Columbia) ("Corporations Act") dealing



with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

RISK FACTORS

The Company is in the business of acquiring and exploring mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest on cash balances. The Company relies mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources, and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Exploration and Development

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

All of the mineral claims in which the Company has a right to acquire an interest are in the exploration stages only and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability



can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Operating Hazards and Risks

Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest are subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Foreign Currency Exchange

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between Canadian and Argentinian dollar. The Company has not entered into any arrangements to hedge its currency risk but does maintain cash balances within each currency.

Supplies and Infrastructure

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surface access, skilled labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. Power may need to be generated onsite.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced, even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that it can be mined at a profit.



Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements, transfers or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Argentina provides restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The current operations of the Company require permits from various Argentinian authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. However, there can be no assurance that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms, a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.



The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavourable economic conditions may negatively impact the Company's financial viability. Unfavourable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact the availability of credit facilities to the Company.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result and other persons would be required to manage and operate the Company.

A CAUTIONARY TALE

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that 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 and other factors which may



cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important 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. 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.

On Behalf of the Board of Directors

“Dustin Nanos”

Dustin Nanos, CEO