

ANTEROS METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period October 1, 2022 to September 30, 2023

Expressed in Canadian Dollars

This Management's Discussion and Analysis ("MD&A") for Anteros Metals Inc. ("Anteros" or the "Company"), prepared as of January 26, 2024, should be read in conjunction with the Company's audited Financial Statements for the year ended September 30, 2023 and the related notes to those financial statements.

Cautionary Statement Regarding Forward-Looking Information

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Going Concern

The Company holds resource interests including base metals properties. On the basis of information obtained to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as exploration and evaluation properties represent net costs to date, less amounts recovered or written off, and do not necessarily represent present or future values.

The Company generated a net loss of \$352,502 for the twelve month period ended September 30, 2023 (profit of \$217,904 for the period from incorporation on February 24, 2022 to September 30, 2022). The Company used \$178,096 in operating activities (\$134,925 for the period from incorporation on February 24, 2022 to September 30, 2022) and generated \$48,894 from investing activities during the twelve month period ended September 30, 2023 (used \$118,570 during the period from incorporation on February 24, 2022 to September 30, 2022) and had a cash balance of \$4,718 as at September 30, 2023 (September 30, 2022 \$133,920). The Company had marketable securities with a value of \$210,000 as at September 30, 2023 (\$415,000 as at September 30, 2022), which is not sufficient for future operating activities. The Company will need to raise additional equity or obtain loans or dispose of its assets in order to generate cash to pay for future operating activities. These conditions cast significant doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. Realization values may be substantially different

from carrying values as shown and these financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern and such adjustments may be material.

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”). The Company’s financial statements for the period ended September 30, 2023 were prepared in accordance with IFRS.

All amounts are expressed in Canadian dollars.

CORPORATE HISTORY

The Company was incorporated in the Province of Newfoundland and Labrador on February 24, 2022. Since its inception, the Company has completed private placement financings, raising a total of \$464,000 (\$387,415 after share issue costs) as of the date of this MD&A, through the sale of common shares. The funds have been used to conduct the Company's business to date.

The Company's head office is located at 35 Sweetenwater Crescent, Conception Bay South, Newfoundland and Labrador A1W 4T2 and the registered office is located at Suite 200, 16 Forest Road, St. John's, Newfoundland and Labrador A1X 2B9.

BUSINESS OF THE COMPANY

The Company is a multimineral exploration and project generation company using data science to target novel and existing deposits for development in Newfoundland and Labrador, Canada. The Company aims to pioneer sole and joint venture exploration and production projects, fusing modern systems with traditional exploration. The Company models a value-through-reduced-inefficiencies portfolio, economizing capital by zeroing-in on the highest prospective targets.

A summary of the Company’s current projects and the status of each project to September 30, 2023 follows:

Project	Project status
Knob Lake	The annual fees and work commitments due on all claims are in compliance, and all of the claims are in good standing. To September 30, 2023, the Company has incurred exploration costs of \$19,996 in connection with the project.
Hopedale	The annual fees and work commitments due on all claims are in compliance, and all of the claims are in good standing. To September 30, 2023, the Company has incurred acquisition and exploration costs of \$134,684 in connection with the project.
Silver Joe	The annual fees and work commitments due on all claims are in compliance, and all of the claims are in good standing. To September 30, 2023, the Company has incurred acquisition and exploration costs of \$148,540 in connection with the project.

Strickland	The annual fees and work commitments due on all claims are in compliance, and all of the claims are in good standing. To September 30, 2023, the Company has incurred acquisition and exploration costs of \$5,006 in connection with the project.
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EXPLORATION AND EVALUATION ASSETS

The property currently considered to be material to the Company is the Knob Lake Property. The Company is currently looking to raise financing of up to \$1,710,000 through both a flow-through and a traditional financing. These funds, together with the Company's existing cash and marketable securities resources will initially be allocated to the Knob Lake Property. Additional funds raised will be allocated to the Company's other properties as outlined below.

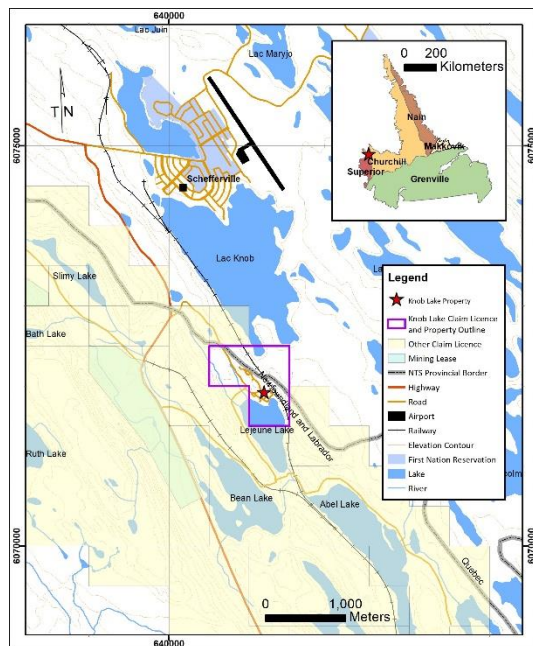
Knob Lake Project

The Company acquired the Knob Lake Property on February 24, 2022 and has a 100% interest in the Knob Lake Property free of any encumbrances.

The Knob Lake Property is an iron and manganese deposit and is located in Newfoundland and Labrador, Canada, near the town of Schefferville, Quebec. The Knob Lake Property consists of three contiguous mining claims covering an area of 75 hectares registered in the Province of Newfoundland and Labrador through the Department of Industry, Energy and Technology. Mineral rights are not granted to the approximately 22 hectares (or 29%) of the total claim area of the licence that exists over land belonging to the Province of Québec. The annual fees and work commitments due on all claims comprising the Knob Lake Property are in compliance, and all of the claims are in good standing.

None of the Knob Lake Property claims have been surveyed.

License No.	Map Sheet	Property	Location	Nº of Claims	Area (Ha)	Staked	Issued	Expiry
031325M	NTS 23J/15	Knob Lake	Lejeune Lake	3	75	28-Sep-20	28-Oct-20	28-Oct-25



The plan for the Knob Lake Property is to bulk sample the project, create a process optimization plan, conduct engineering and or drilling where warranted with a view to preparing a mineral resource estimate for the project. The current budget for these activities is \$400,000 with the intention to complete these activities within 12 weeks of closing of the Company's current financing effort.

The closest mining leases to the Knob Lake Property are registered at the James Iron Mine, approximately 1,200 metres west of the Knob Lake Property.

Hopedale Project

On March 9, 2022, the Company entered into a binding mining option agreement (the "Hopedale Option Agreement") with Hopedale Prospectors ("Hopedale Prospectors"), a syndicate of individuals formed under the laws of the Province of Newfoundland and Labrador to acquire a 100% interest in a nickel copper exploration property (the "Hopedale Property") located in the Hopedale area in the Province of Newfoundland and Labrador. The Hopedale Property is comprised of an aggregate of 106 mining claims covering an area of 2,650 hectares. Pursuant to the terms of the Hopedale Option Agreement, the Company had the option (the "Hopedale Option") to acquire a 100% interest in the Hopedale Property by issuing to the Hopedale Prospectors an aggregate of 350,000 Common Shares (the "Hopedale Consideration Shares"). The Company exercised the Hopedale Option by issuing the Hopedale Consideration Shares on June 6, 2022 with a fair value of \$17,500. In addition to mineral licence fees in the amount of \$1,690, the Company was required to expend an aggregate of \$5,200 on the Hopedale Property

by March 5, 2023 in order to keep the Hopedale Property in good standing. As at the date of this MD&A, the required expenditure requirements were met.

The plan for the Hopedale Property is to resume the Heil VTEM survey at a budgeted cost of \$100,000 and should be completed within 18 months of closing of the Company's current financing effort.

Silver Joe Project

On March 3, 2022, the Company entered into a binding mining option agreement (the "Silver Joe Option Agreement") with Silver Joe Prospectors ("Silver Joe Prospectors"), a syndicate of individuals formed under the laws of the Province of Newfoundland and Labrador to acquire a 100% interest in a silver exploration property (the "Silver Joe Property") located in the Gander area in the Province of Newfoundland and Labrador. The Silver Joe Property is comprised of an aggregate of 44 mining claims covering an area of 1,100 hectares. Pursuant to the terms of the Silver Joe Option Agreement, the Company had the option (the "Silver Joe Option") to acquire a 100% interest in the Silver Joe Property by issuing to the members of the Silver Joe Prospectors an aggregate of 2,700,000 Common Shares (the "Silver Joe Consideration Shares"). The Company exercised the Silver Joe Option by issuing the Silver Joe Consideration Shares on June 6, 2022 at a fair value of \$135,000. The Company was required to expend an aggregate of \$600 on the Silver Joe Property by February 17, 2023 in order to keep the Silver Joe Property in good standing. As at the date of this MD&A, the required expenditure requirements were met. No mineral licence fees are payable in respect of the Silver Joe Property.

The plan for the Silver Joe Property is to conduct prospecting activities, trenching, geochemical mapping and geochemical soil analysis at a budgeted cost of \$75,000 and should be completed within 18 months of closing of the Company's current financing effort.

Strickland Project

The Company has a 100% interest in a lead and zinc exploration property located in the Burgeo – La Poile area in the Province of Newfoundland and Labrador (the "Strickland Property"). The Strickland Property is comprised of an aggregate of 21 mining claims covering an area of 5.25 square kilometers and was acquired by the Company by staking in March, 2022. In addition to mineral licence fees in the amount of \$1,365, the Company was required to expend an aggregate of \$4,200 on the Strickland Property by April, 2023 in order to keep the Strickland Property in good standing. As at the date of this MD&A, the required expenditure requirements were met.

The plan for the Strickland Property is to conduct drilling and metallurgy testing at a budgeted cost of \$225,000 and should be completed within 18 months of closing of the Company's current financing effort.

The following is a summary of the expenditures on and activities related to, the exploration and evaluation assets during the period February 24, 2022 to September 30, 2023:

	Hopedale Project \$	Knob Lake Project \$	Silver Joe Project \$	Strickland Project \$	B Zone Project \$	Anna Lake \$	Total Costs \$
Balance at February 24, 2022	-	-	-	-	-	-	-
Property acquisition and staking costs	18,750	-	136,040	1,365	1,495	-	157,650
Exploration expenditures							
Consulting	-	-	-	-	11,920	-	11,920
GIS, mapping and surveying	93,480	11,500	11,500	-	7,000	-	123,480
Resource estimate and reports	1,304	8,496	-	600	1,440	680	12,520
Total additions	113,534	19,996	147,540	1,965	21,855	680	305,570
Disposition of exploration and evaluation assets	-	-	-	-	(21,855)	(680)	(22,535)
Balance at September 30, 2022	113,534	19,996	147,540	1,965	-	-	283,035
Administration and general	780	-	-	-	-	-	780
GIS, mapping and surveying	12,147	-	1,000	-	-	-	13,147
Exploration licenses and permits	-	-	-	3,041	-	-	3,041
Ground truthing and mineral sampling	6,419	-	-	-	-	-	6,419
Resource estimates and reports	1,804	-	-	-	-	-	1,804
Total additions	21,150	-	1,000	3,041	-	-	25,191
Balance at September 30, 2023	134,684	19,996	148,540	5,006	-	-	308,226

The planned expenditures related to exploration and evaluation assets following the Company's anticipated private placement offering in the second quarter of its 2024 fiscal year is as follows:

	Hopedale Project	Knob Lake Project	Silver Joe Project	Strickland Project
	\$	\$	\$	\$
Expenditures based on Minimum Offering achieved	5,000	300,000	5,000	5,000
Expenditures based on Maximum Offering achieved	100,000	400,000	75,000	225,000
Time frame for completion	18 months	3 months	18 months	18 months

On January 15, 2024, the Company announced that it had entered into a mining claim acquisition agreement (the "Agreement") with certain non-arm's length parties and certain arm's length parties (collectively, the "Vendors"), pursuant to which the Company acquired the Haven Steady VMS Property (the "Property") which is within the Company's land position in the Province of Newfoundland and Labrador. As consideration for the Property, the Company issued an aggregate of 600,000 common shares in capital of the Company (the "Common Shares") at a deemed issuance price of \$0.10 per Common Share to the Vendors

On January 15, 2024, the Company announced with its best efforts, it intends to complete a non-brokered private placement through the issuance of up to 4,500,000 units in the capital of the Company at \$0.10 per unit and up to 10,500,000 flow through units in the capital of the Company at a price of \$0.12 per flow through unit for aggregate gross proceeds of up to \$1,710,000.

Selected Financial Information

The following financial data was prepared in accordance with IFRS.

		Twelve months ended September 30, 2023	For the period from incorporation on February 24, 2022 to September 30, 2022
		\$	\$
Expenses	Note		
Advertising and promotion		1,960	9,143
Business license and filing fees		28,430	-
Interest and bank charges		2,479	799
Management fees		28,640	25,000
Office expenses and general administrative		2,669	13,703
Professional fees	7	167,653	60,550
Salaries and wages	7	21,458	51,592
Share-based compensation		-	9,876
Travel expenses		7,298	2,504
Total expenses		260,587	173,167
Other Income			
Gain on debt settlement and sales of E&E property		-	515,465
Unrealized loss on marketable securities		(80,500)	(85,000)
Realized loss on marketable securities		(50,415)	-
		(130,915)	430,465
Net loss and comprehensive loss for the period before income taxes		391,502	(257,298)
Income taxes recovery of current losses		39,000	(39,394)
Net loss and comprehensive loss for the period		352,502	(217,904)

Overall Performance of the Company

The Company is a recently incorporated entity and as such does not have an extensive history. Based on data from The Business Research Company, which provides iron ore market statistics, the global iron ore market size is expected to grow to \$657.73 billion in 2027 at a CAGR of 10.1%. The growth in the iron ore market is due to increasing construction projects in rapidly developing countries such as China and India owing to the rising population and infrastructure development.

(The Business Research Company news release LONDON, May 15, 2023 /PRNewswire/)

To date, the Company has financed its activities from funds raised through a non-brokered private placement financing. The Company raised gross proceeds of \$464,000 and incurred \$76,585 of share issuance costs related to the financing.

Expenses

Twelve month period ended September 30, 2023

The significant costs are:

Professional fees for in-house marketing services, amounts paid to the Company's auditors, lawyers and for CFO services. During the twelve months ended September 30, 2023 the Company incurred increased legal costs in connection with the preparation of its prospectus filing, as well as its auditors' audit of its financial statements.

Salaries and wages being amounts paid for monthly management services. During the twelve months ended September 30, 2023, the Company reduced the salaries paid to certain directors of the Company.

Business licence and filing fees license and mandatory filing fees. During the twelve months ended September 30, 2023 the Company incurred costs of \$25,771 in SEDAR filing fees (twelve month period ended September 30, 2022 \$nil).

Office and general administrative costs which are costs incurred for day to day operation of the Company.

Other losses

Unrealized loss on marketable securities

During the twelve months ended September 30, 2023, the Company recognized a unrealized loss of \$80,500 on its marketable securities held (twelve month period ended September 30, 2022 \$85,000 loss).

Realized loss on marketable securities

During the twelve months ended September 30, 2023, the Company recognized a realized loss of \$50,415 on its marketable securities held (twelve month period ended September 30, 2022 \$nil).

Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period February 24, 2022 (Date of Incorporation) to September 30, 2023.

	September 30, 2023 \$	June 30, 2023 \$	March 31, 2023 \$	December 31, 2022 \$	September 30, 2022 \$	June 30, 2022 \$	February 24, 2022 to March 31, 2022 \$
Total revenue	-	-	-	-	-	-	-
Net income (loss) before income taxes	(\$116,433)	(\$62,553)	(\$83,567)	(\$128,949)	\$279,525	(\$55,978)	(\$5,643)
Net income (loss) after income taxes	(\$101,933)	(\$53,053)	(\$74,567)	(\$122,949)	\$279,525	(\$55,978)	(\$5,643)
Basic income (loss) per share	(0.01)	0.00	0.01	(0.01)	0.02	0.00	0.00

Expenses incurred during the period ended March 31, 2022 were comprised primarily of travel costs incurred.

During the three months ended June 30, 2022, expenses comprised primarily of marketing expenses, travel costs, payroll expenses, professional fees and office and general expenses.

During the three months ended September 30, 2022, the Company reflected a net gain on the sale and revaluation of its marketable securities of \$399,465 and a gain on the settlement of debt of \$31,000. During the three months the Company incurred operating expenses of \$90,423 and recognized a provision for income taxes payable of \$39,394. Operating expenses were comprised primarily of payroll expenses, professional fees, management fees and office and general expenses.

During the three months ended December 31, 2022, expenses comprised primarily of professional fees and payroll expenses.

During the three months ended March 31, 2023 the Company incurred increased legal costs in connection with the preparation of its Prospectus filing. The Company also incurred additional audit fees in connection with its auditors' review of its interim financial statements and incurred costs of \$19,402 in SEDAR filing fees

During the three months ended June 30, 2023 the Company incurred increased legal and audit review expenditures as a result of the preparation of its prospectus filing.

During the three months ended September 30, 2023 the Company incurred increased legal and audit review expenditures as a result of the preparation of its prospectus filing.

Liquidity And Capital Resources

As at September 30, 2023, the Company held the following:

Cash held in banks	\$4,718
Marketable securities	\$210,000
GST recoverable	\$ 7,443

As at September 30, 2023, the Company had a working capital surplus of \$132,467.

The Company has capital requirements in excess of its currently available resources. The Company is exploring financing opportunities to meet future capital requirements and is currently looking to raise financing of between \$570,000 and \$1,410,000 (net), through both a flow-through and a traditional financing. The Company believes that it's current working capital plus the proceeds from it's anticipated prospectus offering will enable it to carry out the activities as outlined in this MD&A and its prospectus filing.

Outstanding Share Data

The authorized capital of the Company consists of an unlimited number of common shares without par value. The Company had the following securities outstanding as at the date of this MD&A:

Type of Security	Number Outstanding
Common shares ⁽¹⁾	14,800,000
Stock options	450,000

(1) On June 6, 2022, to preserve capital, the Company settled debt by issuing 510,000 common shares for services and exploration services with a fair value of \$25,500. The subscription price was reasonable considering the Company's assets and stage of development at the time.

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order

to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders.

The Company's historical sources of capital have consisted of the sale of equity securities. In order for the Company to complete its acquisitions, carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed. There were no changes in the Company's management of capital.

The Company is not subject to externally imposed capital requirements.

Off Balance Sheet Arrangement

The Company does not utilize off-balance sheet arrangements.

Transactions With Related Parties

The financial statements include balances and transactions with directors and/or officers of the Company. The company defines its key management as its Chief Executive Officer, Chief Financial Officer, VP Exploration, and its board of directors. These expenditures are summarized as follows:

October 1, 2022 to September 30, 2023

	\$
Remuneration and share based compensation	63,615
	63,615

	Twelve months ended September 30, 2023	For the period from incorporation on February 24, 2022 to September 30, 2022
	\$	\$
Accounting fees paid to former CFO (included in professional fees) (2)(3)	13,530	13,750
Fees paid to CEO (included in management fees)	-	25,000
Fees paid to director (included in salaries and wages and management fees)	19,081	44,969
Fees paid to director (included in salaries and wages and management fees)	14,004	6,623
Fees paid to CFO (included in management fees)	17,000	-
Stock-based compensation	-	9,876
	63,615	100,218

(1) As at September 30, 2023, the Company owed \$11,108 to directors and officers of the Company which are included in trade and other payables.

(2) During the period ended September 30, 2023 the Company incurred a total of \$13,530 payable to NUMIS CPAs Inc. ("NUMIS"), a private corporation owned by the CFO of the Company, for accounting and administration services provided by NUMIS personnel.

(3) Jack Cartmel resigned in January 2023 as CFO.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All related parties' payables are due on demand, non-interest bearing and are unsecured.

Changes in Accounting Policies Including Initial Adoption

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2023 and have not been early adopted in preparing the Financial Statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Instruments and Financial Risk Exposures

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; and fair value through other comprehensive income. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	September 30, 2023	September 30, 2022
		\$	\$
Cash	FVTPL	4,718	133,920
Marketable securities	FVTPL	210,000	415,000
Accounts payable	Amortized cost	(63,664)	(16,514)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis;
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place; and
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs. The fair value of the marketable securities has been measured using Level 1 inputs which resulted in a fair value of \$210,000 as at September 30, 2023.

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

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in significant financial institutions and the Company considers this risk to be remote. The Company's receivables primarily include balances receivable from the government of Canada.

Liquidity risk

The Company expects that cash and cash equivalents and cash flow from operations, will be sufficient to fund its presently anticipated requirements for investments in working capital and capital assets.

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

Contractual Maturity Analysis at September 30, 2023:

	Less than months	33 – 12 months	1 – 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Cash	4,718	-	-	-	4,718
Accounts payable	(63,664)	-	-	-	(63,664)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to other price risk through its investment in quoted shares.

Risks and Uncertainties

The exploration, development and mining of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate.

RISK FACTORS

This section describes the material risks affecting the Company's business, financial condition, operating results and prospects.

Risks Related to the Business of the Company

Lack of Ongoing Revenue

As the Company does not have ongoing revenues, it will be dependent upon future financings to continue its plan of operation. The Company's business objectives include the implementation and execution of exploration programs on the Knob Lake Property. There is no assurance that these exploration activities will result in the establishment of commercially exploitable mineral deposits on the Knob Lake Property. Even if commercially exploitable mineral deposits are discovered, the Company may require substantial additional financing in order to carry out the full exploration and development of the Knob Lake Property before the Company is able to achieve revenues from sales of mineral resources that the Company is able to extract.

There is no assurance the Company will have the funds required to pay annual fees to keep the exploration and evaluation assets good standing.

Negative Operating Cash Flow

The Company has negative operating cash flow. The failure of the Company to achieve profitability and positive operating cash flows could have a material adverse effect on the Company's financial condition and results of operations. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves to fund such negative cash flow. The Company expects to continue to sustain operating losses in the future until it generates revenue from the commercial production of the Knob Lake Property or any other properties it may potentially acquire in the future. There is no guarantee that the Company will ever be profitable.

Absence of Prior Public Market and Volatility of Share Prices

There has been no prior public market for the Common Shares, and an active trading market may not develop or, if it does develop, may not be sustained. The lack of an active market may impair shareholders' ability to sell their Common Shares at the time they wish to sell them or at a price that they consider reasonable.

The Company may not be able to obtain sufficient financing to pursue all of its intended exploration activities or continue on a going concern basis

The Company's primary sources of capital resources are comprised of cash and cash equivalents, sales of its marketable securities and the issuance of securities. The Company will continuously monitor its capital structure and, based on changes in operations and economic conditions, may adjust the structure by issuing new Common Shares as necessary. The recoverability of the carrying values of the Company's assets is dependent upon the ability of the Company to obtain the necessary financing to complete exploration activities.

While the Company has been successful in securing funding to date, there are no guarantees that it will be able to secure such funding in the future on terms acceptable to the Company, if at all.

Dependence on Key Personnel

The Company's success is highly dependent upon the performance of key personnel working part-time in management, supervisory and administrative capacities or as consultants. The loss of the services of its senior management or key personnel could have a material and adverse effect on the Company and its business and results of operations. The Company does not maintain key person insurance.

Reliance on Independent Contractors

The Company's success depends to a significant extent on the performance and continued service of independent contractors.

Insurance

The Company may not always be able or may choose not to obtain insurance for many of the risks that it faces. In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Unlimited Number of Authorized but Unissued Common Shares

The Company has an unlimited number of Common Shares that may be issued by the Company without further action or approval of the Company's shareholders. While the Board is required to fulfil its fiduciary obligations in connection with the approval of the issue of such Common Shares, the Common Shares may be issued in transactions with which not all shareholders agree, and the issue of such Common Shares will cause dilution to the ownership interests of the Company's shareholders.

The Company is not likely to pay dividends for an extended period of time

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on the Common Shares. The Company anticipates that, for the foreseeable future, it will retain its cash resources for the operation and development of its business.

The Company may be subject to costly legal proceedings

The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. If the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company will incur increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers

As a public issuer following the completion of the Offering, the Company will be subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Company's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Company's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

In particular, as a result of the Offering, the Company will become subject to reporting and other obligations under applicable Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations will place significant time and financial demands on the Company as well as on the Company's management, administrative, operational and accounting resources.

Risks Related to Exploration and Mining

Exploration and Development

Resource exploration is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Knob Lake Property and there is no certainty that the expenditures made by the Company in the exploration of the Knob Lake Property or otherwise will result in discoveries of commercially recoverable quantities of minerals.

Significant capital investment is required to discover commercial ore and to commercialize production from successful exploration efforts.

Market fluctuations and the prices of metals may render resources uneconomic. Moreover, short-term operating factors relating to the mineral deposits, such as the need for orderly development of the deposits or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

Mining operations are risky

The Company's current business, and any future development or mining operations, involve various types of risks and hazards typical of companies engaged in the mining industry.

Significant accidents could occur, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Title

There is no assurance that the Company's title to its properties will not be challenged.

Permits and Licenses

The Company's operations are subject to extensive laws and regulations. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations and of obtaining licenses and permits are substantial, There is no assurance that future changes in such laws and regulations, if any, will not adversely affect the Company's operations.

Competitive Nature of the Mining Industry

The mining industry is intensely competitive. The Company competes with other mining companies, many of which have greater resources and experience. Such competition may result in the Company being unable to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties.

Environmental, Health and Safety Regulation of Resource Industry

The operations of the Company require permits from various levels of government. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have historically fluctuated widely. Consequently, the economic viability of the Companies properties cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.