



**KING GLOBAL VENTURES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**QUARTERLY HIGHLIGHTS**

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

## **Introduction**

This interim Management Discussion and Analysis (“MD&A”) has been prepared based on information available to King Global Ventures Inc. (“King” or the “Company”) is. for the three and six months ended June 30, 2020 and has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management’s discussion & analysis, being the Management’s Discussion & Analysis (“Annual MD&A”) for the fiscal year ended December 31, 2019. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company’s Annual MD&A, audited annual financial statements for the years ended December 31, 2019, and December 31, 2018, together with the notes thereto, and unaudited condensed interim financial statements for the three and six months ended June 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s unaudited condensed interim financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 31, 2020, unless otherwise indicated.

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 King’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) 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.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Caution Regarding Forward-Looking Statements**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-

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looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
The Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned exploration activities on all of its current projects for the twelve-month period ending June 30, 2021 (see subsequent financing described in "Outlook and Overall Performance" below).	The operating and exploration activities of the Company for the twelve-month period ending June 30, 2021, and the costs associated therewith, will be consistent with King's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to King.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; ongoing uncertainties relating to the COVID-19 virus, changes in economic conditions.
King's properties may contain economic deposits.	Financing will be available for future exploration and development of King's properties; the actual results of King's exploration and development activities will be favourable; operating, exploration and development costs will not exceed King's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to King, and applicable political and economic conditions are favourable to King; no title disputes exist with respect to the Company's properties.	Commodity price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with King's expectations; availability of financing for and actual results of King's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; ongoing uncertainties relating to the COVID-19 virus, changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
Management's outlook regarding future trends.	Financing will be available for King's exploration and operating activities; the price of commodities will be favourable to King.	Commodity price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; ongoing uncertainties relating to the COVID-19 virus, changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond King's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive

list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause King's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## **Description of Business**

King Global Ventures Inc. (the "Company"), is an exploration/development-stage, publicly-traded company, and is trading on the TSX Venture Exchange ("TSXV") under the symbol 'KING'. The Company was incorporated in Ontario, Canada and on September 25, 2019, Rosita Mining Corporation changed to King Global Ventures Inc. The Company is a junior prospecting and natural-resource company, focused on growing exploration and mineral assets to build shareholder value. The Company's properties are located in Quebec Newfoundland, Canada and Nicaragua. As the Company has assets that are located outside North America, they are subject to the risk of foreign investment, including additional local taxation and royalties, renegotiation of contracts, possible expropriation, currency exchange fluctuations and political uncertainty. The Company's head office is at Suite 200, 82 Richmond Street East, Toronto, ON M5C 1P1.

## **Outlook and Overall Performance**

### ***Financial condition***

The Company had total assets of \$3,273,828 as at June 30, 2020 compared to \$2,546,935 as at December 31, 2019. The increase in total assets was due to an investment in a joint venture in Santa Rita Mining.

The Company's current liabilities increased from \$572,405 at December 31, 2019 to \$704,206 at June 30, 2020. The increase in total liabilities was due to increases in accounts payable and accrued liabilities of \$40,334, advances from related parties of \$75,000 for unpaid management fees incurred by management.

As at June 30, 2020, the Company had a working capital deficit of \$22,695 compared to a working capital deficit of \$461,405 at December 31, 2018. The decrease in working capital deficit was due an increase in bank from funds received from the private placement.

### ***Operations***

The Company's operations are not generally subject to seasonal variations. The timing of exploration activities is influenced primarily by the availability of funds and the identification of suitable exploration

targets. However, due to either their location or nature, the exploration of some properties may be restricted during certain times of the year due to climatic conditions.

In **February 2020**, the Company had appointed Mr. Volodymyr (Vlad) Bondarenko, a businessman based in North Vancouver, BC, as a director to fill a vacancy arising from the resignation of Mr. Glen Macdonald as a director.

In **May 2020**, the Company announced that it had closed its private placement and had issued 40 million units at \$0.015 per unit for gross proceeds of \$600,000. Each unit of the offering comprises one common share of the Company and one share purchase warrant. Each warrant will entitle the holder to acquire one additional share in the capital of the Company at a price of five cents per warrant for a period of two years from closing, subject to the Company's option to accelerate expiry in the event that the shares close at, or above, \$0.07 for 10 consecutive trading days.

In **June 2020**, the Company appointed of Jeff Ivan Okotoks to the office of President of the Company. Jeff Ivan is an accomplished professional in the Agri-minerals business over the last 20 years working on numerous transactions at the executive level. Mr. Ivan brings a unique talent to the Company having conducted business in various international markets including many developing regions such as Africa and SE Asia.

In **August 2020**, Victor Hugo was appointed as CFO of the Company.

## **Exploration and Projects**

### ***Rosita D Concession***

On August 29, 2011, the Company entered into an option agreement with Calibre Mining Corp. to earn a 65% interest in the Rosita project. To exercise the option, the Company must perform the following:

- (i) Issue 200,000 common shares as follows:
  - 40,000 common shares within 5 business days of the TSX approval of the option agreement (issued);
  - 40,000 common shares on or before October 3, 2012 (issued);
  - 40,000 common shares on or before October 3, 2013 (issued);
  - 40,000 common shares on or before October 3, 2014 (issued);
  - and 40,000 common shares on or before October 3, 2015 (issued).
  
- (ii) Incur \$4,000,000 of exploration expenditures on the property as follows:
  - \$500,000 on or before October 3, 2012 (incurred);
  - An additional \$750,000 on or before October 3, 2013 (incurred);
  - An additional \$1,250,000 on or before October 3, 2014 (incurred); and
  - An additional \$1,500,000 on or before October 3, 2015 (incurred).

On June 30, 2014, the Company entered into a royalty agreement with Forbes & Manhattan, Inc. ("Forbes") for the settlement of accounts payable totaling \$508,500. The royalty is a 0.5% net smelter royalty ("NSR") multiplied by the Company's participating interest in the Rosita Project at the time. The royalty becomes

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effective upon the Company earning the 65% interest in the Rosita Project (completed in November 2015). The Company may reacquire the NSR by paying \$1,508,500 to Forbes.

In November 2015, the Company fulfilled the requirements under the option agreement and it had earned its 65% interest in the Rosita project. Pursuant to the option agreement, upon earn-in, an automatic joint-venture was created between Rosita and Calibre and in November 2016, the Company and Calibre memorialized an agreement (the "JV Agreement") with an effective date of November 23, 2015. For accounting purposes, the Company has determined that the JV Agreement does not meet the criteria set forth in IFRS 11 *Joint Arrangements*.

On October 11, 2018, the Company, through its subsidiary ALR, was a party to a joint venture agreement between the Company and two other non-related companies which resulted in the incorporation of a joint venture company, Santa Rita Mining Company ("Santa Rita"), a Nicaraguan company. As part of the joint venture agreement, the Company would transfer its interest in the Rosita Project into Santa Rita in exchange for a 17.5% interest in Santa Rita. On March 11, 2019, the Company transferred its interest in the Rosita Project into Santa Rita.

The Company, via its subsidiary ALR Resources, formed a Nicaraguan Joint Venture company, Santa Rita Mining (SRM). The Company holds a 17.5% interest in SRM. A private Nicaraguan Company, Century Resources is investing a total of US\$8.5 million to earn 75% of SRM. On July 12, 2019, Century Resources, met the first milestone of contributing US\$1,500,000 in order not to lose the total of its shares in SRM.

**Summarized statement of financial position – Santa Rita Mining Corporation**

<b>As at June 30, 2020</b>	<b>(Unaudited) (\$)</b>
Current assets	1,273,040
Non-current assets	2,127,004
<b>Total assets</b>	<b>3,400,044</b>
Current liabilities	727,585
Share capital	2,672,459
<b>Total equity and liabilities</b>	<b>3,400,044</b>

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**Summarized statement of operations and comprehensive loss – Santa Rita Mining Corporation**

Six months ended June 30, 2020	Unaudited) (\$)
<b>Expenses</b>	
Depreciation	7,214
Office and miscellaneous	166,2285
Rent	47,376
Travel	24,148
<b>Total expenses</b>	<b>(244,996)</b>
<b>Loss before other income</b>	<b>(244,996)</b>
<b>Net loss and comprehensive for the year</b>	<b>(244,966)</b>
<b>The Company's share of loss for the year</b>	<b>(42,875)</b>

**Changes in the investment in joint venture for the six months ended June 30, 2020:**

<b>Balance, December 31, 2019</b>	<b>\$2,317,744</b>
Foreign exchange adjustment	116,494
Share of joint venture loss for the year ended December 31, 2019	(42,875)
<b>Balance, December 31, 2019</b>	<b>\$2,391,363</b>

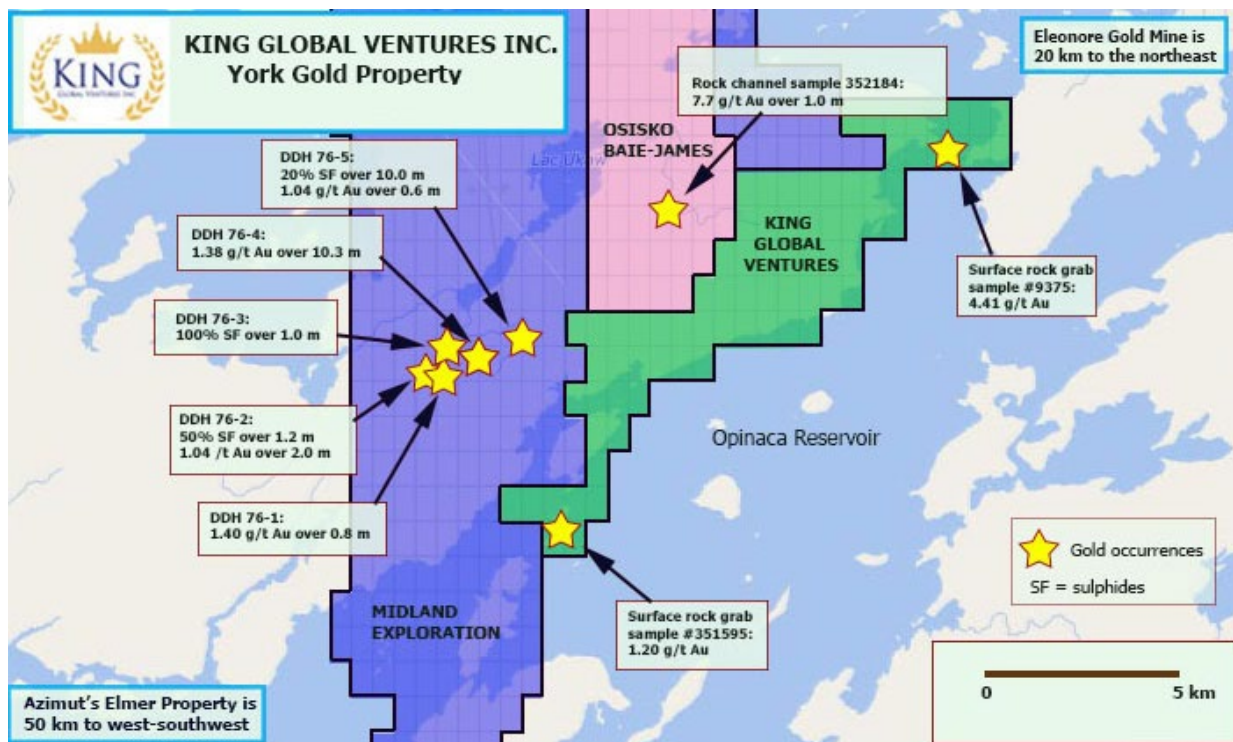
***Marilyn Three Properties***

On August 11, 2018, the Company acquired a 100% interest in mining claims and patents located near Grand Falls, Newfoundland comprised of 104 claim blocks of approximately 6,448 acres. In exchange for the interest in the claims, the Company will pay \$35,000 (paid) and issue 2,500,000 common shares. The seller retains a 2% net smelter royalty (NSR), and the Company has the option to acquire 1% of the NSR for \$1,000,000.

***York Gold Property***

On February 14, 2020 the Company acquired a 100% interest in the York Gold Project, located in northeastern Quebec, and is comprised of 77 claims and exceeds 40 square kilometres in size for the following consideration: cash payment of \$12,000 and 1,250,000 units for the acquisition, where each unit is comprised of one common share and one share purchase warrant to acquire one additional share at \$0.07 per share for the first six months and \$0.10 per share thereafter for a period of one year from the date of acquisition. The vendor retains a 2% NSR, of which 1% can be acquired for \$1,000,000.

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Qualified Person

John Cook, CEO, is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects and has reviewed and approved its scientific and technical content.

**Trends**

The Company's future performance and financial success is largely tied to the success of its exploration and development activities. The development of assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral reserves and to date has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

Current global economic conditions and financial markets are volatile and are likely to be so for the foreseeable future, reflecting ongoing concerns about the global economy. This affects the mining industry, and, as it relates to the Company, affects the availability of equity financing for the purposes of mineral exploration and development. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration, development and property acquisitions, particularly without excessively diluting the interests of its current shareholders. With continued market volatility expected, the Company's current strategy is to continue exploring its properties and to seek out other prospective project opportunities. The Company believes this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining momentum on key initiatives. The



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Company regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global commodity prices;
- Demand for commodities and the ability to explore for such commodities;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- The ability to complete a transaction;
- Purchasing power of the Canadian dollar and United States Dollar; and
- Ability to obtain funding.

The Canadian federal government, the provincial governments of Ontario and Newfoundland; and the government of Nicaragua have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

### **Off-Balance-Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

### **Proposed Transactions**

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

### **Environmental Contingency**

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally

becoming more restrictive. As of June 30, 2020, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

## **Discussion of Operations**

### **Three months ended June 30, 2020 compared with three months June 30, 2019**

King's net loss totaled \$128,499 for the three months ended June 30, 2020, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$112,090 with basic and diluted loss per share of \$0.00 for the three months ended June 30, 2019. The increase of \$16,409 in net loss was principally because of an increase in: office and miscellaneous cost of \$35,514, professional fees of \$17,562, and loss in joint venture of \$25,613; offset by a decrease in foreign exchange loss of \$73,310.

### **Six months ended June 30, 2020 compared with six months June 30, 2019**

King's net loss totaled \$241,276 for the six months ended June 30, 2020, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$135,752 with basic and diluted loss per share of \$0.00 for the six months ended June 30, 2019. The increase of \$105,524 in net loss was principally because of an increase in: office and miscellaneous cost of \$61,995, professional fees of \$18,414, and loss in joint venture of \$42,875; offset by a decrease in foreign exchange loss of \$40,330.

## **Liquidity and Financial Position**

The activities of the Company, principally the acquisition and exploration of mineral properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

As at June 30, 2020, the Company had a cash balance of \$610,479 (December 31, 2019 - \$84,780) and a working capital deficiency of \$22,695 (December 31, 2019 - \$461,405). Its property is in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options, the sale of equity and/or debt of the Company or the sale by the Company of an interest in its Rosita property, in whole or in part.

## **Recent Accounting Pronouncements**

### **IFRS 3, Business Combinations ("IFRS 3")**

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's unaudited condensed consolidated interim financial statements.

### **IAS 1, Presentation of Financial Statements ("IAS 1")**

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed consolidated interim financial statements.

### **IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")**

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed consolidated interim financial statements.

## **Critical Accounting Estimates**

The preparation of these unaudited condensed consolidated interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

### **Critical accounting estimates**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the collectability of amounts receivable, recoverability of mineral property resources and investment in joint venture, fair value of share-based compensation, and unrecognized deferred income tax assets.

### **Critical accounting judgments**

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on unaudited condensed consolidated interim financial statements:

- ✓ Assessment of the going concern assumption;
- ✓ Determination of technical feasibility and commercial viability of mineral property resources;
- ✓ Determination of the classification and accounting of the Company's investment in Santa Rita Mining Company as a joint venture; and
- ✓ Determination of functional currency in accordance with IAS 21.

### **Related Party Transactions**

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

As at June 30, 2020, the Company owed \$351,337 (December 31, 2019 - \$276,337) to a company controlled by the Chief Executive Officer of the Company which is unsecured, non-interest bearing, and due on demand. During the three and six months ended June 30, 2020, the Company incurred management fees of \$36,000 and \$72,000 respectively (three and six months ended June 30, 2019 - \$12,000 and \$24,000 respectively) to the company controlled by the Chief Executive Officer of the Company which has been included in office and administrative expenses.

As at June 30, 2020, the Company owed \$50,301 (December 31, 2019 - \$50,301) to a company controlled by the former Chief Financial Officer of the Company, which is unsecured, bears interest at 12% per annum, and is due on demand. In addition, the Company also owed \$23,736 (December 31, 2019 - \$19,911) of accrued interest, which has been included in accounts payable and accrued liabilities. During the three and six months ended June 30, 2020, the Company incurred interest expense of \$1,913 and \$3,825 respectively (three and six months ended June 30, 2019 - \$nil)

### **Commitments**

On the Rosita Project, the Company has a 0.5% net smelter royalty ("NSR") multiplied by the Company's participating interest in the Rosita Project at the time. The royalty becomes effective upon the Company earning the 65% interest in the Rosita Project (completed in November 2015). The Company may reacquire the NSR by paying \$1,508,500 to Forbes.

On the Marilyn Three Properties, the vendor retained a 2% net smelter royalty (NSR), and the Company has the option to acquire 1% of the NSR for \$1,000,000.

On the York Gold Property, the vendor retained a 2% NSR, of which 1% can be acquired for \$1,000,000.

### **Disclosure of Internal Controls**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements; and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Risks and Uncertainties**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2019, available on SEDAR at [www.sedar.com](http://www.sedar.com).