JERICO EXPLORATIONS INC.

MANAGEMENT DISCUSSION & ANALYSIS
For the three fiscal quarters ended June 30, 2012

Prepared as of August 28, 2012

Form 51-102-F1

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Date of This Report

This MD&A is prepared as of August 28, 2012, and includes information to that date.

This Management Discussion and Analysis ("MD&A") focuses on the financial condition and results of operations of Jerico Exploration Inc. (the "Corporation") for the fiscal quarters ended June 30, 2012, and June 30, 2011 for comparative purposes. This MD&A should be read in conjunction with the Corporation's audited financial statements and notes related thereto for the fiscal year ended September 30, 2011 which had been prepared in accordance with Canadian generally accepted accounting principles, and have been converted and reconciled to International Financial Reporting Standards for purposes of subsequent reporting under IFRS. All dollar amounts herein are expressed in Canadian Dollars.

Certain statements contained in this document may constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", "investigate", "looking at" as they relate to the Corporation or its management, are intended to identify forward-looking statements or information. Such statements or information reflect the Corporation's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or information, including among other things, those risk factors which are discussed elsewhere in documents that the Corporation files from time to time with securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements or information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

The Corporation expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

Overall Performance

Description of the Business

The Corporation was incorporated under the *Canada Business Corporations Act* on February 2, 2004. The Corporation has one wholly-owned subsidiary, Jerico Explorations Arizona, Inc., incorporated under the laws of Arizona on September 30, 2005.

The Corporation was incorporated to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties. The Corporation does not have any producing property. Recovery of the cost of mining assets is subject to the discovery of economically recoverable reserves, the Corporation's ability to obtain the financing required to pursue exploration and development of its properties, and profitable future production or the proceeds from the sale of its properties. The Corporation must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, there can be no assurance that it will continue to do so in the future.

Property Activity

Harmony Property

Background

On March 1, 2004, the Corporation entered into a Mining Property Lease and Option to Purchase Agreement (the "Harmony Claims Purchase Agreement") for a right to purchase up to a 100% interest (subject to a 1% new production royalty) in the Harmony Claim block, a contiguous block of nine unpatented mining claims comprising 165 acres located in the Wallapai Mining District, Mohave County, Arizona, approximately 16 miles by road north of Kingman (the "Harmony Property"). The Harmony Claims Purchase Agreement required a series of payments totaling US$100,000, which payments the Corporation completed in full effective June 1, 2007.

On May 30, 2005, the Corporation filed on SEDAR a NI 43-101 technical report related to the Harmony Property dated April 18, 2005, and titled "Technical Report, Golconda Project, Wallapai Mining District, Mohave County, Arizona" (the "Technical Report") prepared for the Corporation and which is available for viewing at www.sedar.com. The Technical Report was prepared by Douglas F. Irving, P.Eng., of Chapman, Wood and Griswold, Inc. of Albuquerque, New Mexico, the professional engineer engaged by the Corporation, who is a Qualified Person as such term is defined in National Instrument 43-101.

Historic Exploration Work – Conclusions and Recommendations

In December 2007 and January 2008 the Corporation conducted and completed an exploration phase in the Golden Eagle footwall zone and the Golden Eagle main zone on the Harmony Property. Full details about such exploration are set out in the Corporation's annual MD&A for the year ended September 30, 2008 filed on SEDAR on January 28, 2009. The drilling at the Golden Eagle zone on the Harmony Project confirmed the discovery of gold-silver mineralization that was made by Cyprus Minerals in 1987 to 1988. Mineralization was encountered across true widths of 30 to 40 feet along a 300 foot strike length. Drilling in a footwall structure confirmed the presence of disseminated gold-silver mineralization in an approximate 30 to 35 foot wide zone identified from earlier sampling of old surface and underground workings. Additional exploration on the project is recommended by the attending professional engineer and the geologist.

The technical content of the conclusions and recommendations of the drilling phase discussed herein was provided and reviewed by Douglas F. Irving, P.Eng., of Chapman, Wood and Griswold, Inc. of Albuquerque, New Mexico, the professional engineer engaged by the Corporation for such exploration phase, and who is a Qualified Person as such term is defined in National Instrument 43-101.

Based on the results of the assay and the geologist's recommendations, and assuming available financing, the Corporation may find it feasible to continue to expand the exploration program as recommended in the Technical Report.

Exploration Work Summary to the Fiscal Quarter ended June 30, 2012

During the fiscal quarters ended June 30, 2012 the Corporation incurred $3,362 exploration and claim maintenance expenditures on the Harmony property. For comparative purposes, during the fiscal year ended September 30, 2011 the Corporation incurred $2,254 exploration expenditures on the property, and during the fiscal year ended September 30, 2010 these expenditures amounted to $2,406 for exploration expenditures, compared to $138,073 of exploration costs expended during the fiscal year ended September 30, 2008. The expenditures for that 2008 period consisted of $17,729 of access improvement and drill pads preparations, $46,988 of prospecting, sampling and assaying, and $73,356 of reverse circulation drilling.

The differences were caused by a change in the Corporation's strategy regarding its exploration work plan starting in the 2009 fiscal year. Due to tight capital markets at that time, in management's view, there was great uncertainty about the Corporation's ability to obtain additional financing in the near future to support a decision to proceed with further drilling under such circumstances. The Corporation is now focused on seeking out additional financing to expand its exploration program either with the Harmony Property or other new opportunities.

Recent Developments

Pursuant to the TSX Venture Exchange's (the "Exchange") review of the Corporation's financial statements and disclosure documents, the Exchange has determined that the Corporation has more than one Tier 2 Continuous Listing Requirement ("CLR") deficiency. The deficiencies identified relate to working capital & activity for a corporation classified as Tier 2 mining issuer. On February 27, 2012, in accordance with section 3.2(b) of Exchange Policy 2.5, the Exchange placed the Corporation on notice with an initial deadline of May 28, 2012 by which date the Corporation is to provide a submission to the Exchange evidencing that it meets Tier 2 CLR. By ongoing discussions between management of the Corporation and the Exchange before the May 28, 2012 deadline, the Exchange extended its deadline for Corporation to provide evidence it satisfies the Tier 2 CLR by no later than August 31, 2012. If the Corporation does not provided the Exchange with evidence that it will satisfy the CLR deficiencies by such date, the Exchange will proceed to transfer the Corporation's listing to NEX without further notice.

As stated above under *Exploration Work Summary*, management and the Board of Directors of the Corporation kept the activities of the Corporation at minimal maintenance level with the intention to carry the Corporation through the period of economic uncertainty and volatility in the capital markets that prevailed due to the economic recession resulting from the global credit crisis. Currently, the Corporation must obtain additional financing to proceed with further exploration or acquisition activities.

In January 2009, the Board of Directors of the Corporation resolved to seek disinterested shareholder approval and Exchange acceptance to extend the expiry date of 375,000 stock options (the "2005 Options") previously granted to certain directors of the Corporation, all of which had approaching expiry dates of August 26, 2010. On March 31, 2009, at the Corporation's AGM, disinterested shareholder approval was obtained for the proposed extension of the expiry date of the 2005 Options. Then in April 2009, the Board resolved to extend the expiry date of the 2005 Options from August 26, 2010 to August 26, 2015. On June 08, 2009, the Exchange granted approval of the extension of the expiry date of the 2005 Options to August 26, 2015. All other terms of these options will remain the same.

In February 2009 the Board granted to a director of the Corporation options to acquire 100,000 common shares at the exercise price of $0.31 until January 22, 2019, such options vesting at 10% on the date of granting and further vesting at the rate of 15% every three months until fully vested. These options were fully vested in August 2010.

In August 2010 two independent directors resigned from their positions and duties as such. On October 04, 2010, $30,000 cash was received as these two resigned directors exercised their options to purchase 150,000 of the Corporation's common shares at an exercise price of $0.20.

In September 2010 the then chief financial officer was appointed to the board of directors, to comply with the Exchange requirement to have at least three directors on the corporate board of directors. On November 09, 2010 the board of directors granted the chief financial officer the option to purchase 25,000 of the Corporation's common shares at an exercise price of $0.55.

An additional independent director was appointed in October 2010 and became a member of the audit committee, to comply with the requirement of the Exchange to have at least two independent directors as members of the audit committee. On November 09, 2010 the board of directors granted this director the option to purchase 100,000 of the Corporation's common shares at an exercise price of $0.55.

Both of the above option grants have been approved by the Exchange.

Subsequent Events

Subsequent to the fiscal quarter ended June 30, 2012, management of the Corporation continued its discussions with the Exchange regarding the measures the Corporation is taking to remedy its CLR deficiencies referred to above. Management of the Corporation continues to actively take measures to satisfy the Exchange's request for evidence of remedying the Corporation's CLR deficiencies before the stated deadline of August 31, 2012.

Results of Operations

Operations for the fiscal quarter ended June 30, 2012 compared to the fiscal quarter ended June 30, 2011.

During the fiscal Quarter ended June 30, 2012, the Corporation incurred cash expenses of $9,410; consisting of $4,150 of audit fees, $452 of legal fees, $18 of office and miscellaneous expenditures, and $4,790 of filing, sustaining, and transfer fees. Non-cash charges of negative $(6,163) were recorded during the fiscal quarter, consisting of $5,000, representing the estimated value of unremunerated management and administrative services provided by the officers and directors for the quarter, and negative $(11,163), representing a correction to the over-recording of the fair value of the stock options vested during prior fiscal periods, as calculated by the Black Scholes option-pricing model. The total administrative expenses thus incurred amounted to $3,247. No interest was earned on cash deposits, resulting in a net loss of $3,247 for the fiscal quarter ended June 30, 2012.

During the fiscal quarter ended June 30, 2011 the Corporation incurred cash expenses of $4,064; consisting $910 of audit fees, $534 of legal fees, $414 of office and miscellaneous expenditures, and $2,206 of filing, sustaining, and transfer fees. Non-cash charges of $9,191 were recorded, $5,000 representing the estimated value of unpaid management and administrative services provided by officers and directors for the quarter, and $4,191, representing the fair market value of the stock options vested during the fiscal quarter, as calculated by the Black Scholes option-pricing model. Interest earned on cash deposits for the quarter was $3, resulting in a net loss of $13,252 for the fiscal quarter ended June 30, 2011. The increase in cash expenditures of $5,346 during the fiscal quarter ended June 30, 2012 over the comparable prior year's quarter is mainly due to charges of $3,240, incurred in preparations for and the execution of the conversion of the financial reporting under the rules of IFRS. The balance of $2,106 of greater cash expenditures is due mainly to greater Transfer Agent, Filing, and Exchange fees recorded during the 2012 quarter. The correction to the over-recording of the fair market value of stock options vested during prior periods resulted in a reduction of the total expenses for the fiscal quarter ended June 30, 2012, reducing the total expense tally by $11,163 for this fiscal quarter.

Operations for the three fiscal quarters ended June 30, 2012, compared to the three fiscal quarters ended June 30, 2011.

During the three fiscal quarters ended June 30, 2012 the Corporation incurred cash expenses of $23,168, consisting of $5,166 of audit fees, US and domestic, $5,527 of legal fees, $94 of banking fees, and $12,381 of transfer agent, filing, and fees levied by the Exchange. Non-cash charges recorded were $18,889, consisting of $15,000, representing the estimated value of the unremunerated management and administrative services provided by the officers and directors during the three fiscal quarters, and $3,889, representing the balance of the fair value of the stock options vested during the three fiscal quarters ended June 30, 2012. There was no interest earned on cash deposits, resulting in a net loss of $42,057. During the three fiscal quarters ended June 30, 2011, the Corporation incurred cash expenses of $21,407, consisting of $910 of audit fees, $9,518 of legal fees, $546 of banking and miscellaneous expenses, and $10,433 of transfer agent, filing, and fees levied by the Exchange. Non-cash charges recorded were $29,384, representing $15,000 of unremunerated management fees, and $14,384, representing the estimated fair value of the stock options compensation vested during the three fiscal quarters ended June 30, 2011. Interest earned on cash deposits was $19, resulting in a net loss of $50,772 for the three fiscal quarters ended June 30, 2011. The $8,715 decrease in operating loss incurred during the current three fiscal quarters as compared to the three months fiscal quarters of the prior year is mainly caused by the reduction in the valuation of stock options vested during the current fiscal period of $10,495 versus the prior year's charges, and a reduction in legal fees of $3,991. Audit fees were greater by $4,256, due to IFRS conversion costs, and transfer agent, filing, and fees levied by the Exchange were $1,948 greater than those incurred during the prior year's period under comparison. These differences and the absence of $19 in interest earned account for the net reduction in operating expenditures during the current three quarters fiscal period versus those of the prior year.

Current Assets and Working Capital

As at June 30, 2012, the Corporation had current assets of $5,511, consisting of $550 cash, $2,361 HST recoverable, and $2,600 prepaid TMX sustaining fees. Current liabilities at that date were $5,339, providing working capital of $172. At June 30, 2011 the Corporation had current assets of $39,512, consisting of $35,830 cash, $1,082 HST recoverable, and $2,600 prepaid TMX sustaining fees. Current liabilities at that date were $424, resulting in available working capital of $39,088. The decrease in working capital by $38,916, that occurred between June 30, 2011 and 2012 is attributable to the reduction in cash of $35,280, used to fund the operating expenditures, the increase in HST receivable of $1,289, and the increase in accrued expenses of $6,194, combine to effect the decrease in working capital of the stated $38,916 during the period of June 30, 2011 and June 30, 2012. Management is contacting its major shareholders to contribute funding via private placement to enable the Corporation to continue operating and to execute the recommended exploration phase at its Harmony property, and/or execute a major resource property acquisition. (Also, see below under the heading *Liquidity and Capital Resources*).

Liquidity and Capital Resources

As detailed above in the paragraph titled *"Current Assets and Working Capital"*, at June 30, 2012, the Corporation had working capital of $172 and a cash position of $550.

The Corporation has funded its operations to date from the sale of its equity securities. If additional capital financing arrangements, including public or private sales of debt or equity securities, are insufficient or unavailable, the Corporation will modify its growth, mineral exploration and operating plans to match available funding. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to its shareholders. Debt financing, if available, may involve restrictive covenants with respect to the Corporation's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

All payment obligations under the Harmony Claims Purchase Agreement are completed, and the Corporation has no other material payment obligation, the cash expenditures needed to fund basic operating costs are approximately $40,000 per fiscal year.

Current cash assets of $550 at June 30, 2012, fall short of enabling the Corporation to continue operations, unless a cash infusion via private placement can be secured. Accordingly, the Corporation has an increased risk to continue as a going concern on account of its shortage of working capital.

Summary of Quarterly Results

The following selected financial information is for the eight most recently completed quarters as derived from the Corporation's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, the notes to those statements and "Results of Operations" herein.

	Three month period ended June 30, 2012 (unaudited)	Three month period ended Mar 31, 2012 (unaudited)	Three month period ended Dec 31, 2011 (unaudited)	Three month period ended Sep 30, 2011 (unaudited)	Three month period ended June 30, 2011 (unaudited)	Three month period ended Mar 31, 2011 (unaudited)	Three month period ended Dec 31, 2010 (unaudited)	Three month period ended Sep 30, 2010 (unaudited)
Total revenue/interest income	-	-	-	$1	$3	$6	$9	$10
Total expenses......	$3,247	$21,195	$17,616	$41,688	$13,255	$20,443	$17,092	$32,528
Income (loss) for the period.............	(3,247)	($21,195)	($17,616)	($41,667)	($13,252)	($20,437)	($17,083)	($32,518)
Net income (loss) for the period...................	($3,247)	($21,195)	($17,616)	($41,667)	($13,252)	(20,437)	($17,083)	($32,518)
Basic and diluted income (loss) per share	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Balance Sheet Data:	As at June 30, 2012 (unaudited)	As at Mar 31, 2012 (unaudited)	As at Dec 31, 2011 (unaudited)	As at Sep 30, 2011 (audited)	As at June 30, 2011 (unaudited)	As at Mar 31, 2011 (unaudited)	As at Dec 31, 2010 (unaudited)	As at Sep 30, 2010 (audited)
Total assets	$337,183	$346,107	$363,545	$365,404	$367,822	$378,582	$394,161	$372,814
Total long term financial liabilities.......	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders' equity....	$331,844	$341,254	$350,355	$355,012	$367,398	$371,459	$381,799	$358,785

Related Party Transactions

Management continues to provide administrative services to the Corporation without monetary remuneration while the Corporation is in the initial exploration stage. The fair value of management and administrative services received by the Corporation was estimated to be $1,500 per month, plus incidental expenses of $2,000 for the year. The fair values were determined based on market based indicators for time and expertise, and comparable arms length values. The amount has been recorded in the statement of loss, comprehensive loss, and deficit and included as an addition to reserves.

Changes in Accounting Policies

Recent accounting pronouncements

Convergence with International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that publicly accountable enterprises are required to adopt IFRS for fiscal years beginning on or after January 1 2011. Accordingly for its fiscal reporting period beginning October 1, 2011, the Corporation has adopted IFRS as the basis of preparing its financial statements, and has reported its financial results for the quarters ended June 30, 2012 prepared on an IFRS basis with restatement of comparative information presented for the quarters ended June 30, 2011. The Corporation's transition date of October 1, 2011 required a reconciliation of the restatements for comparative purposes of amounts reported by the Corporation for the year ended September 30, 2011. The presentation of the financial statements has changed, as the Corporation complied with increased disclosure requirements under IFRS and differing prescribed formats of the balance sheet and statements of income/loss and cash flow. Management implemented the changes to affected accounting policies and practices, business processes, systems, and internal controls. The changes have been tested prior to the formal reporting requirements under IFRS to insure all significant differences are properly addressed. Management complied with reporting under IFRS starting with the first fiscal quarter ended December 31, 2011, and continuing with the second and third fiscal quarters ended June 30, 2012.

To this date there have been no material changes under the provisions of IFRS to the reported financial values as had been reported under GAAP three fiscal quarters ended June 30, 2012 compared to that which was reported under GAAP for the three fiscal quarters ended June 30, 2012, which for purposes of such comparison, have been converted to IFRS.

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling Interests which replace CICA Handbook Sections 1581 Business Combinations and 1600 Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Corporation's business combinations with acquisition dates on or after October 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for interim and annual consolidated financial statements for fiscal years beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. Adoption is not expected to have a material impact on the Corporation's financial reporting based on current operations.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, receivables, prepaid expenses, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the

Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Corporation is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, and liquidity.

a) Currency risk

Currently, the Corporation is not exposed to significant currency risks as its capital and operations are in Canadian dollars. At the time the Corporation expands the exploration program on the Harmony Project, the Corporation will be contracting services in US Dollars. The Corporation would be exposed to fluctuations between the currencies which will affect the overall cost of the exploration program.

b) Credit risk

Credit risk is the risk of a financial loss to the Corporation if a counterparty to a financial instrument fails to meet its obligations. The Corporation’s cash is held in large Canadian financial institutions. The Corporation does not have any asset-backed commercial paper. The Corporation’s receivables consist primarily of GST receivable due from the Federal Government of Canada.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is very limited interest rate risk as the Corporation holds no interest bearing financial obligations.

d) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they become due. The Corporation’s ability to continue as a going concern is dependent on management’s ability to raise required funding through future equity issuances. The Corporation manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Share Capital and Outstanding Share Information

The authorized share capital of the Corporation consists of an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in one or more series, having certain rights, privileges, restrictions and conditions as set out in the Corporation’s Articles. There have been no preferred shares issued since the Corporation’s inception.

As of the date of this MD&A:

Common shares issued	6,699,001
Stock options exercisable between $0.20, $0.35, and $0.55	450,000
Agent's Warrants	Nil
Maximum number of common shares outstanding (fully diluted)	7,149,001

Escrow

As of the date of this MD&A, there are nil common shares that are, or have a right to be, owned by directors and major shareholders held in escrow. On August 26, 2008 all remaining common shares held in escrow (794,700) were released.

Dividend Report and Policy

The Corporation has not paid any dividends since incorporation and it has no plans to pay dividends. The directors of the Corporation will determine if and when dividends should be declared and paid in the future based on the Corporation's financial position at the relevant time. All holders of the common shares in the capital of the Corporation are entitled to an equal share in any dividends declared and paid.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Under Canadian securities laws, because the Corporation is a venture issuer, it is not required to certify the design nor provide an evaluation of its disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and therefore, has not completed such an evaluation. Accordingly, this MD&A does not contain a discussion relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, management of the Corporation is 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.

Accordingly, inherent limitations on the ability of the Corporation's management to design and implement on a cost effective basis DC&P and ICFR for the Corporation may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

For the fiscal year ended September 30, 2010 and for the fiscal year ended September 30, 2011, and the three fiscal quarters ended June 30, 2012, there were no changes in policies or procedures for DC&P and ICFR as compared to the prior fiscal years.

Risks and Uncertainties

The Corporation's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Corporation has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Corporation has no significant source of operating cash flow and no revenues from operations. None of the Corporation's mineral properties currently have reserves. The Corporation has limited financial resources. Substantial expenditures are required to be made by the Corporation to establish ore reserves.

The property interests owned by the Corporation, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Corporation's mineral exploration may not result in any discoveries of commercial bodies of mineralization. If the Corporation's efforts do not result in any discovery of commercial mineralization, the Corporation will be forced to look for other exploration projects or cease operations.

The Corporation is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Corporation may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Corporation conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Corporation is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Corporation.

The Corporation currently has very limited working capital and incurs significant expenses on an on-going basis by virtue of being a public company, and this represents a significant risk factor. The Corporation will therefore require additional financing to carry on its business, and such financing may not be available when it is needed.

Additional Disclosure for Issuers without Significant Revenue

The Corporation has not had any revenues from operations during the fiscal year ended September 30, 2010, the fiscal year ended September 30, 2011, and the three fiscal quarters ended June 30, 2012. Consult the audited annual financial statements pertaining to the fiscal year ended September 30, 2010 and the fiscal year ended September 30, 2011 for presentation of the significant acquisition, exploration and operating costs.

Other Information

Additional information relating to the Corporation is available for viewing on SEDAR at www.sedar.com.