TRUECLAIM
EXPLORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended

March 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2013

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations for Trueclaim Exploration Inc. ("the Company" or "TRM"") for the period ended March 31, 2013. It has been prepared as of May 30, 2013 and includes financial and other information up to the date of this report. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto of the Company for period ended March 31, 2013. The disclosure contained in these condensed interim consolidated financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements ("IAS 1"). Accordingly, these interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2012. All dollar amounts are expressed in Canadian dollars.

The Company's MD&A contains forward-looking statements such as the Company's future plans, objectives and goals. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and resources, exploration and development results and future plans and objectives of Trueclaim Exploration Inc. are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and information. Except as required under securities legislation, the Company does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether as a result of new information, future events or otherwise (see pages 39-41 for other risks and uncertainties).

Description of the Business

Trueclaim Exploration Inc. is a mineral exploration company, engaged in the acquisition, exploration and development of precious and base metals properties in strategically located areas, with long history of mining, currently within Ontario, with the Scadding Property Mine, and in Arizona, with the Gila County Property. The Company is a public company which is listed on the TSX Venture Exchange (symbol "TRM"). Common shares of the Company also trade on the OTCQX marketplace.

Starting with the former gold-producing Scadding Mine, located in the Sudbury Area, Ontario, Trueclaim has optioned, staked and purchased mineral exploration rights for approximately 14,500 hectares (35,800 acres) in the East Wanapitei Area. The Scadding Township and Davis Township area has more gold occurrences than any other similar sized area in the Sudbury District and Trueclaim now holds the largest land position in this area.

Another property of Trueclaim is the Gila County Property, located in Gila County, Arizona, U.S.A., Trueclaim has entered into an option agreement with Black Diamond Exploration Inc. ("Black Diamond"), in Claypoole, Arizona, to acquire 100% of the 127 claims owned by Black Diamond representing approximately 2,500 acres. The claims area is located in and around an area known as the Richmond Basin in the Apache Mountains of Gila County, located approximately 100 miles east of Phoenix, Arizona.

Description of the Business (Continued)

The property includes the former McMorris and Silver Seven mines, as well as several other smaller mines. The area is readily accessible by year-round roads and has extensive nearby local mining infrastructure.

The Company has not yet determined whether its mining properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mining properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to fund costs to complete the exploration and evaluation of its properties, and upon future profitable production or proceeds from the disposal of properties.

The Company was incorporated on May 17, 2006, by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act of British Columbia under the name “Stage Capital Inc.”.

On March 30, 2007, the Company was classified as a capital pool corporation (“CPC”) as defined by policy 2.4 of the TSX Venture Exchange (the “TSXV”).

On July 22, 2008, the Company announced that it had entered into an arm’s length letter of intent with Trueclaim Resources Inc. (“Trueclaim Resources”) dated July 7, 2008, pursuant to which the Company and Trueclaim Resources proposed a business combination (“the Transaction”) by way of an amalgamation, arrangement, take-over bid, or other similar form of transaction. This transaction was completed on December 18, 2008, pursuant to an arrangement agreement, as amended, (the “Arrangement”) among the Company, Trueclaim Resources and 7048955 Canada Inc. (“Stage Subsidiary”), a wholly-owned subsidiary of the Company. Upon completion of the Arrangement, (i) Trueclaim Resources amalgamated with Stage Subsidiary (to form a company called “Trueclaim Resources Inc.”) and (ii) all of the outstanding securities of Trueclaim Resources, including warrants, were exchanged for equivalent securities of the Company on a one-for-one basis. The Company issued an aggregate of 10,717,000 common shares and 2,790,650 share purchase warrants of the Company in connection with the Transaction. Following completion of the Arrangement, Trueclaim Resources Inc. became a wholly-owned subsidiary of the Company and the former shareholders of Trueclaim Resources hold a majority of the shares of the Company. The Transaction was accounted for as a reverse-takeover, therefore, all information in this MD&A refers to Trueclaim Exploration Inc. (formerly Stage Capital) for the period after the date of the Transaction and to Trueclaim Resources for periods prior to that date.

The Company changed its name from Stage Capital Inc. to Trueclaim Exploration Inc. following its annual general meeting held February 12, 2009.

The address of its registered office is #800 – 885 West Georgia Street, Vancouver, BC V6C 3H1.

Overview

The past 12 months have been very challenging yet exciting for the Company. In probably the worst year in the recent past for the junior mining industry, Trueclaim did not let the situation deter it from our plan. We have made many changes including a new President and CEO, new faces on the board and solid support in the market.

We now have our drill permit for Arizona and a clear plan on how to move forward. We have been evaluating how best to generate revenue on both our Arizona and Scadding properties and we are confident we can achieve near term production.

The management team with full support of the board have been looking at all the options to create opportunities for cash flow, thus a situation where we can continue to develop the properties but minimize the dilution to our shareholders and create real value. There will be those who will say “how are you going to accomplish this?”. In Arizona, we are working on a plan to mine the high grade silver veins in the addits on the property. Our optionors have a lot of experience working the property and we are working on a plan to exploit the very high grade native silver.

In Scadding, we are investigating the value of the tailings on site and the high grade gold at the Alwyn Porcupine where we got great results from our bulk sample.

The key to success in these difficult markets is to differentiate the Company from all the others. Trueclaim is working towards that, with forward thinking and an unrelenting desire to be the best. We are confident that we are moving in the right direction and with your continued support Trueclaim will be the company others aspire to be.

Selected Annual Information

The following table presents financial information for the years ended December 31, 2012, December 31, 2011 and December 31, 2010.

	For the Year Ended December 31, 2012 IFRS	For the Year Ended December 31, 2011 IFRS	For the Year Ended December 31, 2010 IFRS
Total revenues	$ -	$ -	$ -
Net loss and comprehensive loss	463,935	1,310,747	1,571,527
Basic and diluted loss per share	0.00	0.02	0.03
Total assets	5,395,961	5,736,972	4,170,223
Total long-term liabilities	-	-	-
Total current liabilities	647,927	1,779,895	711,941
Cash dividends	-	-	-

Summary of Quarterly Results

The following table reports selected financial information for the eight most recent quarters.

	Three months ended March 31, 2013	Three months ended December 31, 2012	Three months ended September 30, 2012	Three months ended June 30, 2012
Revenue	$ -	$ -	$ -	$ -
Net Income (Loss) & Comprehensive Income (Loss)	(59,072)	(265,610)	(46,226)	(244,785)
Earnings (Loss) per share	(0.00)	(0.01)	(0.00)	(0.00)
Fully diluted earnings (loss) per share	(0.00)	(0.01)	(0.00)	(0.00)

	Three months ended March 31, 2012	Three months ended December 31, 2011	Three months ended September 30, 2011	Three months ended June 30, 2011
Revenue	$ -	$ -	$ -	$ -
Net Income (Loss) & Comprehensive Income (Loss)	92,706	(186,709)	(343,697)	(768,827)
Earnings (Loss) per share	0.00	(0.02)	(0.00)	(0.01)
Fully diluted earnings (loss) per share	0.00	(0.02)	(0.00)	(0.01)

Quarterly numbers have been adjusted where applicable to reflect adjustments made by the Company's auditors during the December year-end audits.

Financial information prepared in accordance with International Financial Reporting Standards.

Review of Financial Results

Net loss, comprehensive loss

Net loss and comprehensive loss for the three months ended March 31, 2013, was $59,072 ($0.00) per Common share) compared to a net income and comprehensive income of $242,706 ($0.00 per Common share) for the three months ended March 31, 2012, which is a decrease of $301,778.

General and administrative

General and administrative expenses ("G&A") decreased by $255,519 from $314,591 for the three months ended March 31, 2012, to 59,072 for the three months ended March 31, 2013. Significant changes in general and administrative expenses were as follows:

Administrative expenses decreased by $110,794 from $137,726 for the three months ended March 31, 2012, to $26,932 for the three months ended March 31, 2013.

Management fees decreased by $63,923 from $88,923 for the three months ended March 31, 2012, to $25,000 for the three months ended March 31, 2013. The decrease was due to the departure of three executives prior to the December 31, 2012 year-end.

Professional fees decreased by $39,947 from $46,647 for the three months ended March 31, 2012, to $6,700 for the three months ended March 31, 2013. The decrease was due to lower accounting and legal fees as the Company was relatively inactive during the quarter.

Review of Financial Results

General and administrative (Continued)

Share based compensation decreased by $5,445 from $5,445 for the three months ended March 31, 2012, to $Nil for the three months ended March 31, 2013. There were no options issued during the quarter.

Travel expenses decreased by $36,207 from $36,647 for the three months ended March 31, 2012, to $440 for the three months ended March 31, 2013. Travel costs decreased as the Company was focussing on minimizing expenses during the quarter.

Liquidity and Capital Resources

Cash resources and liquidity

As at March 31, 2013, the Company had cash and cash equivalents of $29,570 and negative working capital of $705,596 compared to cash and cash equivalents of $3,019 and negative working capital of $578,994 as at December 31, 2012.

The Company has no debt or other long term obligations outstanding impacting liquidity or future cash flows. The further development and exploration of the Company's mineral projects and general and administrative expenses depends upon the Company's ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals and/or volatile stock markets and fluctuations in the price of the Company's shares may make it difficult or impossible for the Resulting Issuer to obtain equity financing or debt financing on favorable terms or at all. Failure to obtain additional financing on a timely basis may cause the Resulting Issuer to postpone its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

Investing activities

On February 9, 2012, as part of an assignment agreement, the Company received 3,000,000 shares in Northern Skye Resources ("Northern Skye"), a Canadian private company, which shares has no readily market for trading and thus no other reliable measure to determine its fair value. As a non-monetary transaction, the investment was initially recognized at a fair value equal to the consideration of assets given up, or the remainder of expenditures spent by the Company that was not reimbursed by Northern Skye, as a more reliable measure of fair value received. The investment was thus initially valued at $39,985; and as at December 31, 2012, the management determined that there was a permanent impairment on these investments and wrote down the investments to a nominal value of $1.

During the three months ended March 31, 2013, the Company spent $67,430 on additions to its mineral properties (2012- $19,744).

Liquidity and Capital Resources (Continued)

Financing activities

During the three months ended March 31, 2013, the Company received $168,200 in advances for the April 8, 2013 private placement. For the three months ended March 31, 2012, the Company received $1,221,011 for its February 12, 2012 private placement.

Additional Disclosures

Related party transactions

During the three months ended March 31, 2013, the Company incurred key management compensation expenses in the amount of $25,000 (2012 - $99,431

The above related party transactions were conducted in the normal course of business and were measured at the agreed to amounts which were agreed by the related parties.

As at March 31, 2013, the Company's trade payable and accrued payable balances included $122,930 payable to the above related parties.

Commitments

The Company is partially financed through the issuance of flow-through shares, requiring that the Company spend the proceeds for qualified mining exploration expenses. Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work, subject to penalties if the conditions are not respected. Although the Company is committed to taking all the necessary measures, refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the year ended December 31, 2011, the Company received $770,000 following an issuance of flow-through units and renounced $769,547 of its tax deductions relating to flow-through expenditures. The Company had until December 31, 2012, to make qualified mining exploration expenses totaling $769,547. As at December 31, 2012, the Company had incurred $240,796 of qualifying expenditures.

Subsequent event

On April 8, 2013, the Company closed a non-brokered private placement of 3,646,666 Units at $0.06 per unit for total gross proceeds of $218,800. Each Unit consists of one common share of the Company and one common share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.10 per share for a period of 24 months after the date of closing of the private placement.

Contingent liability

The Company has a legal claim against it in the amount of $44,220. The Company intends to defend itself against this claim. The outcome and amount to be paid, if any, are unknown, and as such no amounts related to this claim have been recorded in the financial statements.

Liquidity and Capital Resources (Continued)

Off balance sheet arrangements

The Company has no off balance sheet arrangements.

Critical Accounting Policies and Estimates

The significant accounting policies used in the preparation of these consolidated interim financial statements are described below.

Basis of measurement

The condensed interim consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments classified as ‘fair value through profit and loss’ (“FVTPL”) which have been measured at fair value. The comparative figures presented in these consolidated financial statements are in accordance with IFRS.

All amounts are expressed in Canadian dollars, which is also the functional currency of the Company and its subsidiary.

Consolidation

The financial statements of the Company consolidate the accounts of Trueclaim Exploration Inc. and its wholly owned subsidiary, Trueclaim Resources Inc. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with banks.

Fixed assets

Fixed assets are stated at cost less accumulated amortization and impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The major categories of fixed assets are amortized on a declining balance as follows:

Computer Equipment	30%

Critical Accounting Policies and Estimates (Continued)

Impairment

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to receivables, a provision for impairment is made and an impairment loss is recognized in income when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Intangible assets

The Company records its interests in mining properties and areas of geological interest at cost as intangible assets in the consolidated statements of financial position. Each individual mining property is defined as a cash generating unit. Exploration and evaluation costs relating to these interests and projects are capitalized until the properties to which they relate are placed into production, sold or allowed to lapse. During the year ended December 31, 2012, $290,471 (2011 – $2,024,264) of costs were incurred for exploration, evaluation and acquisitions of mining properties. Management reviews the carrying values of intangible assets on a regular basis to determine whether any write downs are necessary. These costs will be amortized over the estimated useful life of the mining properties following commencement of production, or written off if the mining properties or projects are sold or allowed to lapse. General exploration expenditures not related to specific mining properties are expensed as incurred.

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of the flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the subscribers at an agreed upon date.

The fair value of the tax benefit received by the subscriber is recorded as a liability which is extinguished when the tax effect of the temporary differences, resulting from the renunciation, is recorded. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense.

Critical Accounting Policies and Estimates (Continued)

Flow-through shares (Continued)

A deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures that are capitalized to exploration and evaluation assets and their tax basis. If the Company has sufficient tax assets to offset the deferred tax liability, the liability will be offset by the recognition of a corresponding deferred tax asset.

Income tax

Current income taxes

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of loss and comprehensive loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes

Deferred tax assets and liabilities represent income taxes expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Company’s consolidated financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax assets also represent income taxes expected to be recoverable on unclaimed losses carried forward.

Deferred taxes are calculated using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, with some exceptions described below. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be used. Neither deferred tax liabilities, nor deferred tax assets, are recognized as a result of temporary differences that arise from the initial recognition of goodwill or a transaction, other than a business combination, that affects neither accounting profit nor taxable profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax asset and liabilities are measured using the enacted or substantively enacted tax rates as of the statement of financial position date that are expected to be in effect when the differences reverse or when unclaimed losses are utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of all or part of the asset to be utilized. To the extent that an asset not previously recognized fulfills the criteria for asset recognition, a deferred tax asset is recognized.

Deferred tax is recognized in the consolidated statements of loss and comprehensive loss, unless it relates to items recognized directly in equity, in which case the deferred tax related to those items is also recognized directly in equity.

Critical Accounting Policies and Estimates (Continued)

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. During the years ended December 31, 2012 and 2011, all of the outstanding stock options and warrants were antidilutive.

Share capital

Non-monetary consideration

Shares issued as purchase consideration in non-monetary transactions are recorded at the fair value of the consideration received by the Company.

Shares issued to non-employees are recorded at the fair value of the goods and services received by the Company.

Share-based compensation

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments. These amounts are recorded at the fair value of the equity instrument granted.

Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital.

Significant accounting judgments and estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the consolidated financial statements. Those estimates and assumptions also affect the disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The most significant estimates relate to determining the fair value of share based payments to non-employees and impairment testing of the Company's intangible assets, fixed assets and investments. During the three month period ended March 31, 2013, $Nil (2012 - $5,445) was recorded as share based payments and either capitalized to intangible assets or expensed in the statement of loss and comprehensive loss.

Financial instruments

All financial assets are initially classified into one of five categories: fair value through profit and loss (FVTPL), held-to-maturity, available for sale, loans and receivables and amortized cost.

Critical Accounting Policies and Estimates (Continued)

Financial instruments (Continued)

Financial assets classified as FVTPL are measured at fair value with gains and losses recognized through earnings. The Company's cash and cash equivalents are classified as FVTPL.

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including the transaction costs. They are subsequently measured at amortized cost using the effective interest rate method. The Company does not have any held-to-maturity item.

Financial assets classified as available for sale are measured at fair value with gains and losses recognized through a reserve in other comprehensive income. The Company's investment in Northern Skye

Resources would have been classified as available for sale if it has not been fully impaired and the fair value of these investments is readily determinable with reliable measure.

Financial assets classified as loans-and-receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest rate method less a provision for impairment. The Company`s receivables are classified as loans and receivables.

Financial liabilities at amortized cost consist of trade payables and accrued liabilities and advance on private placement. Trade payables and accrued liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, they are measured at amortized cost using the effective interest rate method.

New accounting standards and interpretations

The following Standards and Interpretations were adopted as of January 1, 2013:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interest in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 – Separate Financial Statements
- IAS 28 – Investments in Associates and Joint Ventures

IFRS 10 was issued in June, 2011 and is the result of the IASB's project to replace Standing Interpretations Committee 12, "Consolidation - Special Purpose Entities" and the consolidation requirements of IAS 27, "Consolidated and Separate Financial Statements". The new standard eliminates the current risk and rewards approach and establishes control as the single basis for determining the consolidation of an entity. The standard provides detailed guidance on how to apply the control principles in a number of situations, including agency relationships and holdings or potential voting rights. The amendment did not have a material impact on the Company's financial statements.

IFRS 11 was issued in June, 2011 and is the result of the IASB's project to replace IAS 31, "Interest in Joint Ventures". The new standard redefines joint operations and joint ventures and requires joint

Critical Accounting Policies and Estimates (Continued)

New accounting standards and interpretations (Continued)

operations to be proportionately consolidated and joint ventures to be equity accounted. Under IAS 31, joint ventures could be proportionately accounted. The amendment did not have a material impact on the Company's financial statements.

IFRS 12 was issued in June, 2011 and outlines the required disclosures for interests in subsidiaries and joint arrangements. The new disclosures require information that will assist financial statement users to evaluate the nature, risks and financial effects associated with an entity's interests in subsidiaries and joint arrangements. The amendment did not have a material impact on the Company's financial statements.

IFRS 13 was issued in June, 2011 and provides a common definition of fair value establishes a framework for measuring fair value under IFRS and enhances the disclosures required for fair value measurements. The standard applies where fair value measurements are required and does not require new fair value measurements. The amendment did not have a material impact on the Company's financial statements.

IAS 27 revised in 2011 was issued in May, 2011 and provides guidance in respect to Separate Financial Statements. The amendment did not have a material impact on the Company's financial statements.

IAS 28 revised in 2011 was issued in May, 2011 and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amendment did not have a material impact on the Company's financial statements.

The following Standards and Interpretations were issued but not yet effective:

- IFRS 9 (2009) (AC 146) - Financial Instruments. Effective for annual periods beginning on or after January 1, 2015.
- IFRS 9 (2010) (AC 146) - Financial Instruments. Effective for annual periods beginning on or after January 1, 2015.

IFRS 9 (2009) (AC 146) will be adopted by the Company for the first time for its financial reporting period ending December 31, 2015. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 (AC 146) addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39 (AC 133).Under IFRS 9 (AC 146) there are two options in respect of classification of financial assets, namely, financial assets measured at amortized cost or at fair value. Financial assets are measured at amortized cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host. The impact on the financial statements for the group has not yet been estimated.

IFRS 9 (2010) (AC 146) will be adopted by the Company for the first time for its financial reporting period ending December 31, 2015. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 (2010) (AC 146) addresses the measurement and classification of financial liabilities

Critical Accounting Policies and Estimates (Continued)

New accounting standards and interpretations (Continued)

and will replace the relevant sections of IAS 39 (AC 133).

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39 (AC 133), except for the following two aspects: fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.

Under IFRS 9 (2010) (AC 146), derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 (2010) (AC 146) incorporates, the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives. The impact on the financial statements for the Company has not yet been determined.

Exploration Projects (Canada)

East Wahnapitae Area, Sudbury Mining Division
Scadding Property

The information reported in this section is up to the date of this report, that being April 27, 2012. Information on the agreement on the Scadding Gold Property and earlier work undertaken by Trueclaim Exploration can be found in previous MD&As prepared by the company.

There are currently five gold-bearing zones known on the property; North Zone, South Zone, Central Zone, Currie Rose New Zone and the E-W Pit. All of the zones other than the Central zone have been drilled by Trueclaim between the autumn of 2009 and the present. The Central zone was mined by underground methods in the late 1980s. Poor documentation of the underground workings has made it difficult to plan holes that will miss the underground workings. Environmental work is currently underway to prepare for an application for a permit to de-water the workings. This will allow Trueclaim to have the workings properly surveyed and mapped with the potential to drill from underground once re-opened.

SRK Consultants (Canada) Inc. ("SRK") was involved in the Phase II drilling program. SRK helped plan the delineation holes in the North Zone and reviewed the drill core from the previous programs. SRK recommended that Trueclaim drill a series of oriented holes to determine the trend of the mineralization. The advice was followed and oriented holes were drilled in the North Zone, South Zone and at the E-W Pit. Interestingly, all zones trend the same direction and changed historical ideas of the overall structure of the property. This is a very significant step in attempting to define continuity between the zones.

.

North Zone

In 2009 exploration work included a Phase I 2,000 metre drill program. Three initial drillholes were located in the North Zone to assess the nature of the mineralization. Without the technology of Surpac, a 3D modeling program and only historical data, the best interval in the north was 2.0m at 3.2 g/t. After the zone had been modeled in 3D it was evident that the holes drilled in 2009 had just pierced the north eastern edge of the mineralized zone and there was extensive work to be done in the future. After the 2011 oriented drilling whereby the orientation of the North Zone was determined to be striking 310^{o}, the three holes from 2009 oriented at 315^{0} were understood to have been drilled parallel to bands of chlorite rather than across the bands.

The success of Trueclaim's 2010 drilling program was due, in part, to the 3D modeling program, Surpac. Geologist Lindsay Moss, B.Sc. P.Geo. modeled the zones based on historical drill logs compiled from assessment reports. The 3D model allowed on-site geologists to easily visualize the nature of the chlorite zones to better target the mineralization. In 2010 the most significant intersection of the exploration drill program was 19.2m at 12.9 g/t from drillhole TRM-10-07, however many other noteworthy intersections were drilled during this program including 9.0m at 2.9g/t and 4.0m at 9.6 g/t.

In January 2011 the Phase II drilling program commenced. In order to use the planned meterage most efficiently, oriented drilling was initiated on the property. Drillholes TRM-11-11 to TRM-11-16 were designed to intersect mineralization in order to collect structural measurements from the core as suggested by Ivo Vos, Ph.D., P.Geo. The oriented drilling revealed that the bands of chlorite were striking southeast and dipping moderately towards the southwest. The best intersection from the oriented drilling was 13.0m at 1.9g/t in drillhole TRM-11-16. From the positive results and consistent data obtained during orientation drilling a wide-spaced delineation program was planned to assess the width of the North Zone. Due to the distance between drillholes, only four of the holes intersected the modeled zone. From the delineation drilling it has been determined that the zone does not continue along strike to the southeast or the northwest but does plunge further to the southwest then previous predicted. More concentrated infill drilling is planned for the future to determine the extent of the north zone. Below is a list of significant gold values obtained in the North Zone drilling:

Hole ID	From (m (ft))	To (m (ft))	Interval (m (ft))	Grade (g/t)
TRM-09-03	**79.7** (261.4)	**80.4** (263.7)	**0.7** (2.3)	2.5
TRM-09-03	**89** (291.9)	**89.9** (294.8)	**0.9** (2.9)	2.8
TRM-09-03	**99.0** (324.7)	**101.0** (331.3)	**2.0** (6.6)	3.2
TRM-09-04	**85.6** (280.8)	**86.7** (284.4)	**1.1** (3.6)	7.0
TRM-09-05	**89.4** (293.2)	**89.9** (294.9)	**0.5** (1.7)	55.0
TRM-10-01	**19.0** (62.3)	**20.0** (65.6)	**1.0** (3.3)	2.8
TRM-10-02	**30.0** (98.4)	**34.0** (111.5)	**4.0** (13.1)	9.6
TRM-10-06	**70.0** (231.0)	**72.0** (237.6)	**2.0** (6.6)	22.3
TRM-10-06	**96.0** (316.8)	**100.0** (330.0)	**4.0** (13.1)	2.3
TRM-10-07	**52.4** (171.9)	**71.6** (234.8)	**19.2** (62.9)	12.9
TRM-10-07	**94.4** (309.6)	**95.9** (314.5)	**1.5** (4.9)	1.1
TRM-10-07	**98.0** (323.4)	**98.9** (326.4)	**0.9** (3.0)	3.9
TRM-10-07	**110.2** (363.6)	**112.0** (369.6)	**1.8** (5.9)	25.6
TRM-10-10	**41.0** (135.3)	**43.7** (144.2)	**2.6** (8.9)	4.5
TRM-10-10	**50.0** (165.0)	**59.0** (194.7)	**9.0** (29.7)	2.9
TRM-10-10	**61.0** (201.3)	**62.0** (204.6)	**1.0** (3.3)	1.3
TRM-11-11	**46.1** (151.2)	**56.0** (183.7)	**9.9** (32.5)	1.4
TRM-11-12	**32.0** (105.0)	**38.0** (124.7)	**6.0** (19.7)	2.8
TRM-11-12	**63.6** (208.6)	**68.0** (223.0)	**4.4** (14.4)	0.7
TRM-11-13	**97.0** (318.2)	**99.0** (324.8)	**2.0** (6.6)	0.4
TRM-11-14	**61.0** (200.1)	**66.0** (216.5)	**5.0** (16.4)	2.4
TRM-11-14	**99.6** (326.6)	**100.1** (328.3)	**0.5** (1.7)	5.9
TRM-11-14	**104.7** (343.5)	**113.0** (370.7)	**8.3** (27.2)	1.4
TRM-11-15	**10.0** (32.8)	**16.6** (54.5)	**6.6** (21.7)	1.0
TRM-11-15	**30.0** (98.4)	**40.0** (131.2)	**10.0** (32.8)	3.5
TRM-11-16	**38.5** (126.3)	**51.5** (169.0)	**13.0** (42.7)	1.9

Hole ID	From (m (ft))	To (m (ft))	Interval (m (ft))	Grade (g/t)
TRM-11-30	**84.0** (275.6)	**87.3** (286.4)	**3.3** (10.8)	5.8
TRM-11-31	**62.0** (203.4)	**65.7** (215.6)	**3.7** (12.2)	1.9
TRM-11-31	**76** (249.3)	**79** (259.1)	**3.0** (9.8)	3.7
TRM-11-36	**40.0** (131.2)	**41.0** (134.5)	**1.0** (3.3)	1.1
TRM-11-36	**51.0** (167.3)	**53.0** (173.9)	**2.0** (6.6)	1.5
TRM-11-39	**122.3** (401.1)	**127.5** (418.3)	**5.2** (17.2)	2.4
TRM-11-39	**137.5** (451.0)	**140.1** (459.5)	**2.6** (8.5)	1.1
TRM-11-39	**153.0** (502.0)	**158.0** (518.4)	**5.0** (16.4)	0.7
TRM-11-40	**41.6** (136.6)	**42.6** (139.9)	**1.0** (3.3)	4.3
TRM-11-40	**143.2** (469.8)	**152.0** (498.7)	**8.8** (28.9)	0.9
TRM-11-44	**122.5** (401.9)	**124.0** (406.8)	**1.5** (4.9)	1.9
TRM-11-46	**46.0** (150.9)	**49.0** (160.7)	**3.0** (9.8)	2.2

South Zone

Prior to Trueclaim's work, the South Zone had only been intersected by one drillhole in 1979. W35 intersected two zones, 12.8m at 9.34g/t and 4.0m at 2.28g/t. In 2009 Trueclaim drilled an interval of 10.1m at 3.5g/t. This drillhole was significant in that it allowed Trueclaim to see the potential of the South Zone. Five other holes were drilled in the South Zone during 2009.

In 2010, only one hole was drilled in the South Zone during the Phase I drill program. There was a significant amount of fractured rock in the area due to historical blasting which caused difficulty in drilling and inhibited more holes from being drilled in this zone.

In 2011, the Phase II drilling program started with new information and more-experienced drillers in the South Zone. Holes TRM-11-01 to TRM-11-10 were successful in intersecting mineralized chlorite. The most significant drillhole was TRM-11-10; it indicated continuity between the Central Zone and the South Zone through very visually similar mineralization from both zones, and was located 30m from the underground ramp. TRM-11-10 graded 15.8m at a grade of 5.4g/t. Other highlights of the drilling were 19.0m at 2.5g/t and 10.0m at 1.2g/t. While drilling oriented core, 4 holes (TRM-11-26 to TRM-11-29) were drilled in the South Zone to establish the orientation of the chlorite units in this zone. Compiled data revealed that the South Zone was trending consistently with other zones on the property. TRM-11-28A intersected a zone of 9.44m at 2.5g/t. (Note: The letter "A" behind the drillhole ID was assigned because multiple holes were drilled from the same setup.)

Hole ID	From (m(ft))	To (m (ft))	Interval (m (ft))	Grade (g/t)
TRM-09-02	**26.9** (88.8)	**37.0** (122.1)	**10.1** (33.3)	3.5
TRM-09-02	**42.9** (141.6)	**43.5** (143.6)	**0.6** (2.0)	3.9
TRM-09-06	**69.1** (228.0)	**70.0** (231.0)	**0.9** (3.0)	27.9
TRM-09-07	**33.7** (111.2)	**35.0** (115.5)	**1.3** (4.3)	2
TRM-09-07	**46.5** (153.5)	**47.5** (156.8)	**1.0** (3.3)	2.1
TRM-09-09	**16.0** (52.8)	**17.0** (56.1)	**1.0** (3.3)	2.4
TRM-10-11	**52.8** (174.2)	**54.0** (178.2)	**1.2** (4.0)	11.2
TRM-10-11	**70.0** (231.0)	**71.0** (234.3)	**1.0** (3.3)	3.2
TRM-11-01	**3.0** (9.9)	**7.0** (23.1)	**4.0** (13.2)	3.0
TRM-11-02	**16.0** (52.5)	**26.0** (85.3)	**10.0** (32.8)	1.2
TRM-11-02	**47.0** (154.2)	**52.0** (170.6)	**5.0** (16.4)	2.3
TRM-11-03	**17.5** (57.4)	**18.5** (60.7)	**1.0** (3.3)	1.1
TRM-11-03	**32.0** (105.0)	**51.0** (167.3)	**19.0** (62.3)	2.5
TRM-11-06	**45.2** (148.4)	**46.0** (150.9)	**0.8** (2.5)	7.8
TRM-11-06	**59.7** (197.0)	**60.8** (200.6)	**1.1** (3.6)	1.0
TRM-11-08	**49.0** (160.8)	**50.0** (164.1)	**1.0** (3.3)	5.4
TRM-11-09	**27.0** (88.6)	**28.0** (91.9)	**1.0** (3.3)	7.3
TRM-11-09	**47.0** (155.1)	**52.0** (171.6)	**5.0** (16.5)	2.2
TRM-11-10	**21.6** (71.3)	**23.0** (75.9)	**1.4** (4.6)	1.2
TRM-11-10	**53.0** (173.8)	**68.8** (225.7)	**15.8** (51.9)	5.4
TRM-11-26	**42.2** (138.3)	**44.73** (146.7)	**2.58** (8.46)	3.2
TRM-11-26	**56.1** (184.0)	**56.59** (185.6)	**0.50** (1.63)	1.7
TRM-11-27	**44.0** (144.3)	**45.48** (149.2)	**1.48** (4.9)	1.1
TRM-11-28A	**27.4** (89.7)	**36.8** (120.7)	**9.4** (31.0)	2.5
TRM-11-29	**21.8** (71.9)	**22.8** (75.2)	**1.0** (3.3)	1.3
TRM-11-29	**24.0** (78.7)	**25.0** (82.0)	**1.0** (3.3)	8.9

Currie Rose New Zone

The Currie Rose New Zone was first discovered in 1997 by Currie Rose Resources Inc. There were 4 holes with significant assays drilled previous to Trueclaim acquiring the property, as shown below:

Hole ID	From (m (ft))	To (m (ft))	Interval (m (ft))	Grade (g/t)
CR20	**16.8** (55.4)	**19.4** (64.0)	**26.0** (8.6)	3.3
CR20	**27.6** (91.1)	**30.7** (101.3)	**3.1** (10.2)	17.2
CR25	**53.2** (175.6)	**59.3** (195.7)	**6.1** (20.1)	32.2
CR27	**63.3** (208.9)	**66.8** (220.4)	**3.5** (11.5)	10.3
CR33	**48.9** (161.4)	**56.5** (186.5)	**7.6** (25.1)	5.5

The New Zone consists of narrow high-grade seams of chlorite. In early drilling Trueclaim obtained values of 47.6g/t over 1.0m from TRM-09-13 and 94.5g/t over 1.5m from TRM-11-22.

In 2011, during the Phase II drill program, seven successful holes were drilled in the New Zone. Most notably were TRM-11-22 that graded 94.5g/t over 1.5m and TRM-11- 20 grading 21.5g/t over 1m. Following the drilling in the Currie Rose New Zone, Trueclaim commenced oriented drilling in the E-W Pit and the South Zone. It was interesting that all zones drilled with oriented core were trending in the same direction. This supports the idea that the Currie Rose New Zone is open to the north as well as along strike to the northwest and southeast. It has been suggested that the reason the mineralization encountered to date in this zone is narrow and high grade is because it is on the fringe of a larger body.

Hole ID	From (m (ft))	To (m (ft))	Interval (m (ft))	Grade (g/t)
TRM-09-10	**15.0** (49.5)	**16.0** (52.8)	**1.0** (3.3)	1.8
TRM-09-10	**22.0** (72.6)	**23.0** (75.9)	**1.0** (3.3)	1.8
TRM-09-13	**66.0** (217.8)	**67.0** (221.1)	**1.0** (3.3)	47.6
TRM-11-18	**52.0** (170.6)	**55.7** (182.7)	**3.7** (12.1)	12.3
TRM-11-20	**63.0** (206.7)	**64.0** (210.0)	**1.0** (3.3)	21.5
TRM-11-22	**31.5** (103.4)	**33.0** (108.3)	**1.5** (4.9)	94.5
TRM-11-23	**53.3** (174.7)	**57.5** (188.5)	**3.5** (13.8)	1.5

East-West Pit

The East-West Pit historically had 34,125 tons grading 8.6g/t (0.3oz/t) removed by surface mining. The Scadding property was originally discovered because of mineralization at the East-West Pit. Drillhole logs for the East-West Zone submitted to government assessment files by previous operators of the property contain no assay data, only geological logs.

Due to an initial lack of data and incomplete understanding of the mineralization in the East-West Pit, no drillholes were put into it by Trueclaim prior to the Phase II Drill Program because time was required for trenching and field mapping. In 2011, following the summer field season, two drillholes were drilled on the west side of the East-West Pit, TRM-11-24 and TRM-11-25, for orientation purposes. Later in the Phase II the program the drill returned to the zone and 3 holes were drilled (TRM-11-46 to TRM-11-48) to follow up on data acquired from orientation drilling. One hole was significant and hit a new zone of mineralization grading 1.4g/t over 10.3m. This drillhole was drilled at the north-east corner of the pit and oriented towards the northeast, away from the E-W Pit. Trueclaim geologists are planning on more drilling to the north of the pit to expand these new findings.

Hole ID	From (m (ft))	To (m (ft))	Interval (m (ft))	Grade (g/t)
TRM-11-24	**54.5** (179.9)	**55.1** (181.8)	**0.6** (1.9)	1.5
TRM-11-48	**98.0** (323.4)	**103.0** (339.9)	**5.0** (16.5)	4.5
TRM-11-48	**128.8** (425.0)	**139.0** (458.7)	**10.3** (33.7)	1.4

It has become evident that oriented-core drilling and 3D modeling are important tools in advancing the Scadding project. The oriented-core drilling of the Phase II drilling program was essential in determining the previously misunderstood orientation of auriferous chlorite breccia.

Quality Assurance

Trueclaim has implemented a rigorous quality assurance/quality control program at the Scadding property using best industry practices and supervised by Ms Lindsay Moss, P. Geo. and subjected to independent third party review.

Tucumseh Property

Trueclaim has completed a field mapping and sampling program on the Tecumseh property. The Tecumseh property is located 50 kilometres northeast of Sudbury and 8 kilometres northeast of the Scadding Gold Property. The Tecumseh Property is within Trueclaim's East Wahnapitae Area holdings.

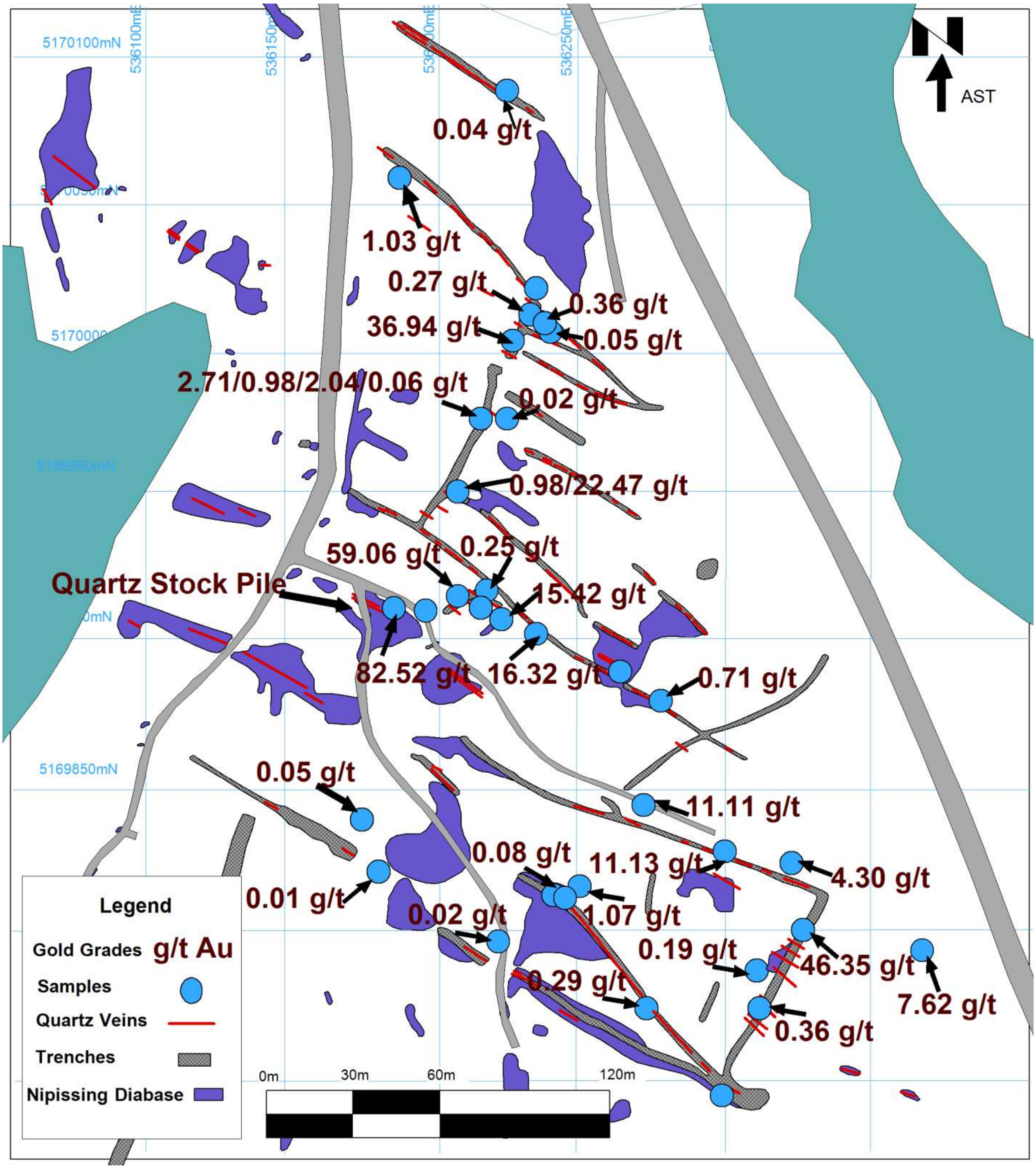
The Tecumseh property consists of multiple parallel quartz veins hosted in Nipissing Diabase. Nipissing Diabase intrusions are well known intrusions favourable for platinum, palladium and gold mineralization. The Shakespeare open pit owned and operated by URSA Major Minerals, located 70km west of Sudbury is in Nipissing Diabase producing nickel, copper, cobalt, platinum, palladium, gold and silver.

The quartz veins on the Tecumseh Property are trending East-West and dipping to the south. Historical trenching has exposed an area of quartz veining approximately 450 metres by 300 metres. The trenches provided good exposure to the quartz veins on the property.

The quartz veins average about 10cm in width. Multiple samples contain chalcopyrite and visible gold. A total of 28 individual quartz veins were sampled throughout the property from 14 historic trenches.

Shown below are the highlights of the quartz vein grab samples collected from the Tecumseh property and a map showing the results:

Sample ID	Au (g/t)	Au (oz/t)
Z061759	82.52	2.89
Z061773	59.06	2.07
Z061776	46.35	1.62
Z061745	36.94	1.29
Z061752	22.47	0.79
Z061753	16.32	0.57
Z061756	15.42	0.54
Z061778	11.13	0.39
Z061780	11.11	0.39
Z061770	7.62	0.27
Z061777	4.3	0.15
Z061747	2.71	0.09
Z061758	2.31	0.08
Z061750	2.04	0.07
Z061766	1.07	0.04
Z061739	1.03	0.04



5170100mN
536100mE
536150mE
536250mE
AST
0.04 g/t
1.03 g/t
0.27 g/t
0.36 g/t
36.94 g/t
0.05 g/t
5170000
2.71/0.98/2.04/0.06 g/t
0.02 g/t
5169950mN
0.98/22.47 g/t
59.06 g/t
0.25 g/t
Quartz Stock Pile
15.42 g/t
82.52 g/t
16.32 g/t
0.71 g/t
5169850mN
0.05 g/t
11.11 g/t
0.08 g/t
11.13 g/t
4.30 g/t
0.01 g/t
1.07 g/t
0.02 g/t
0.19 g/t
46.35 g/t
7.62 g/t
0.29 g/t
0.36 g/t
Legend
Gold Grades g/t Au
Samples
Quartz Veins
Trenches
Nipissing Diabase
0m
30m
60m
120m

During the year ended December 31, 2012, Trueclaim released results from a bulk sample taken from the Tecumseh property. The 3,423 pound bulk sample is comprised of four samples that were removed from the property. Two in situ veins were the main focus of the bulk sample as the provide Trueclaim with grades that could be obtained from the vein material. A sample was taken from the waste pile to assess the grade of remaining removed rock from the previous mining program. Wall rock material was collected along the margin of the vein containing minor disseminate chalcopyrite and pyrrhotite and showed promising results of 1.85 g/t Au. This is significant as it demonstrates that gold mineralization is not necessarily confined to quartz vein domains. The chart below shows the assays obtained from the 4 samples:

Location	Au (g/t)	Au (oz/t)
Vein 1	19.79	0.64
Vein 2	8.53	0.27
Waste Pile	3.13	0.1
Wall Rock	1.85	0.06

Other Canadian Properties

During the year ended December 31, 2011, the Company signed the following option agreements with the intention of assigning the land options to other companies:

(i) Boston-McElroy Township
(ii) Cook Guibord Township
(iii) Hebecourt Township
(iv) Berry-Desboues Township
(v) Linear Property

On February 9, 2012, the Company signed an agreement with Northern Skye Resources Inc. ("Northern Skye") whereby Northern Skye has assumed all obligations and payments under the Berry-Desboues, Boston-McElroy, Cook-Guibord, Hebecourt, and Linear Option agreements. As consideration for assigning the Option Agreements to Northern Skye, Northern Skye has agreed:

(i) To issue to the Company three millions (3,000,000) common shares in the capital of Northern Skye;
(ii) To pay in cash such amounts representing the actual cash expenditures already paid by the Company in respect of the acquisition of its option rights in and to each of the Optioned Properties
(iii) The Company retains a ten percent (10%) carried working interest (the "Retained Interest") in each of the Optioned Properties
(iv) Northern Skye shall have the right, but not the obligation, to purchase at any time and from time-to-time increments of not less than one percent (1%) up to the entire Retained Interest in any or all of the Optioned Properties for consideration of one million dollars ($1,000,000) per one percent (1%) interest.

Exploration Projects (USA))

Black Diamond Project, Gila County, Arizona

The Company has entered into an option agreement (the "Option") with Black Diamond Exploration Inc. ("Black Diamond") in Claypoole, Arizona to acquire 100% of the 127 claims owned by Black Diamond representing approximately 2,500 acres. The claims area is located in and around an area known as the Richmond Basin in the Apache Mountains of Gila County, located approximately 100 miles east of Phoenix, Arizona.

The property includes the former McMorris and Silver Seven mines, as well as several other smaller mines. The area is readily accessible by year-round roads and has extensive nearby local mining infrastructure. Acquisition of the claims followed an extensive review of the property, including a physical inspection by the Trueclaim geological team in early May, 2010.

The site was first discovered in the late 1800s and subsequently prospected with limited production by a number of small operators between 1900 and 1980, but no formal drill program was ever undertaken. In addition no shafts were sunk beyond the 700 foot level, nor were there any efforts to create a comprehensive picture of the potential resource. Five major operating mining porphyry copper operations occur within a 20 mile radius and include:

i) Freeport McMoran Copper & Gold- Miami, Arizona - operating a large open pit mine and smelter operation ramping up production to 100 million pounds of copper by 2011.
ii) BHP, Pinto Valley, Arizona - an open pit operation producing approximately 18.1 million pounds of copper per year.
iii) Quadra Mining Ltd., Carlotta Mine, Globe, Arizona - open pit producing approximately 65.7 million pounds copper per year.
iv) Resolution Copper, Superior, Arizona - an underground operation cited as potentially one of the largest, richest and deepest (7,000 feet deep) copper and molybdenum ore bodies in North America.
v) Grupo Mexico, Ray Pit and Hayden Smelter, Mission, Arizona - this company's Arizona operations are producing approximately 232 million pounds of copper per year, as well as more than 600,000 ounces of silver.

The area has an extensive mining support infrastructure that the Company will be able to draw upon in its planned exploration and development activities for the McMorris and Buckeye sites. The Company's consulting geologist Mr. Bob Komarechka, P.Geo. has also reviewed the property and described it in geological terms as follows "the Black Diamond property occurs in the Richmond Basin Area of Gila County Arizona about 16 kilometres north from the prolific Tertiary porphyry copper mines of Globe, Arizona. The historic silver ore was mined primarily from steeply dipping mineralized faults & fractures with veins trending east-west and north-south, and the most productive being the east-west McMorris Fault. Sub-horizontal mineralized fractures were also noted. The fractures for the most part were mined within a large diabase body of Proterozoic age, although the fractures continue below into younger rocks as well. It has been proposed that these faults may be related to a post diabase anticlinal structure in the area. Near surface supergene enrichment along the mineralized faults resulted in native silver and silver halides being derived from the deeper argentite and sulphosalt proto-ores. Silver mineralization is also found within the pre-diabase basal Scandan conglomerate and within a post-diabase (Tertiary) diorite and andesitic porphyry. This diorite, along its footwall contact with the diabase, has been found to contain high silver values in the McMorris Mine. Previous authors (Bishop, O.M., University of Arizona Thesis, 1935) reported the silver mineralization to be of Tertiary age, perhaps contemporaneous with the latter stages of the diorite intrusion. Trueclaim should further investigate the diorite's relationship to the later hydrothermal fracture mineralization within the structural complex of the area using modern geochemical and geophysical techniques."

The Company has commenced a Phase I exploration program for the Black Diamond property. A digital geo-referenced base map of tenure, topography and limited geological data has been prepared. The company has engaged Arizona geological consultant Nick Barr to assist in the permitting process and to undertake a preliminary geological examination of the property to confirm geologic contact, structure, alteration and mineralization. To further facilitate operations in Arizona, Trueclaim Exploration Inc. has incorporated a US subsidiary company, Trueclaim Resources (US) Inc. Trueclaim Resources (US) Inc. currently is a non-operating shell company, and will continue to act as such until the Company's Arizona based projects are transferred to the subsidiary. Currently, a preliminary geological study followed by a Magnetometer/EM survey are being considered to more effectively evaluate the property. A drill program would then follow based on positive results of this work.

Trueclaim can earn an undivided 100% interest in the Property by paying the aggregate sum of $850,000 in cash, issuing an aggregate of 800,000 common shares in the capital of Trueclaim Exploration Inc. and incurring $1,500,000 in exploration expenditures over a three year period.

Under the terms of a royalty reduction agreement the NSR may be reduced by Trueclaim in stages to 1%.

A field examination resulted in the recognition of a replacement vein containing copper rich magnetite (the Black Copper Vein) with assay results as shown below. This mineralizing trend occurred near the contact with the Tertiary diorite and limestone and extended for approximately 400 metres. Bids for undertaking a geophysical survey of this area are being reviewed. Assay results of surface hand samples from the property of this mineralized zone were reported in a Trueclaim press release dated June 1, 2011, and are shown below. A silver rich float sample was also found on the property and assayed high silver values as shown below.

Sample #	**Area**	**Au g/t**	**Au oz/ton**	**Ag g/t**	**Ag oz/ton**	**Cu %**
70553*	Black Copper Vein	1.783	0.052	6.857	0.20	5.584
70555*	Black Copper Vein	2.057	0.060	0.001	0.05	7.451
70557*	Black Copper Vein	1.78	0.052	<0.001	<0.05	7.070
E5096668	Black Copper Vein	2.873	0.084	23	<10	3.764

E5096666	Barr Float	0.005	0.000	3040	88.666	9.389
E5096667	Barr Float	0.015	0.000	2852	83.183	8.312

**** denotes samples assayed by Jacobs Assay Office of Tucson Arizona. All other samples were assayed by Accurassay Laboratories of Thunder Bay Ontario.***

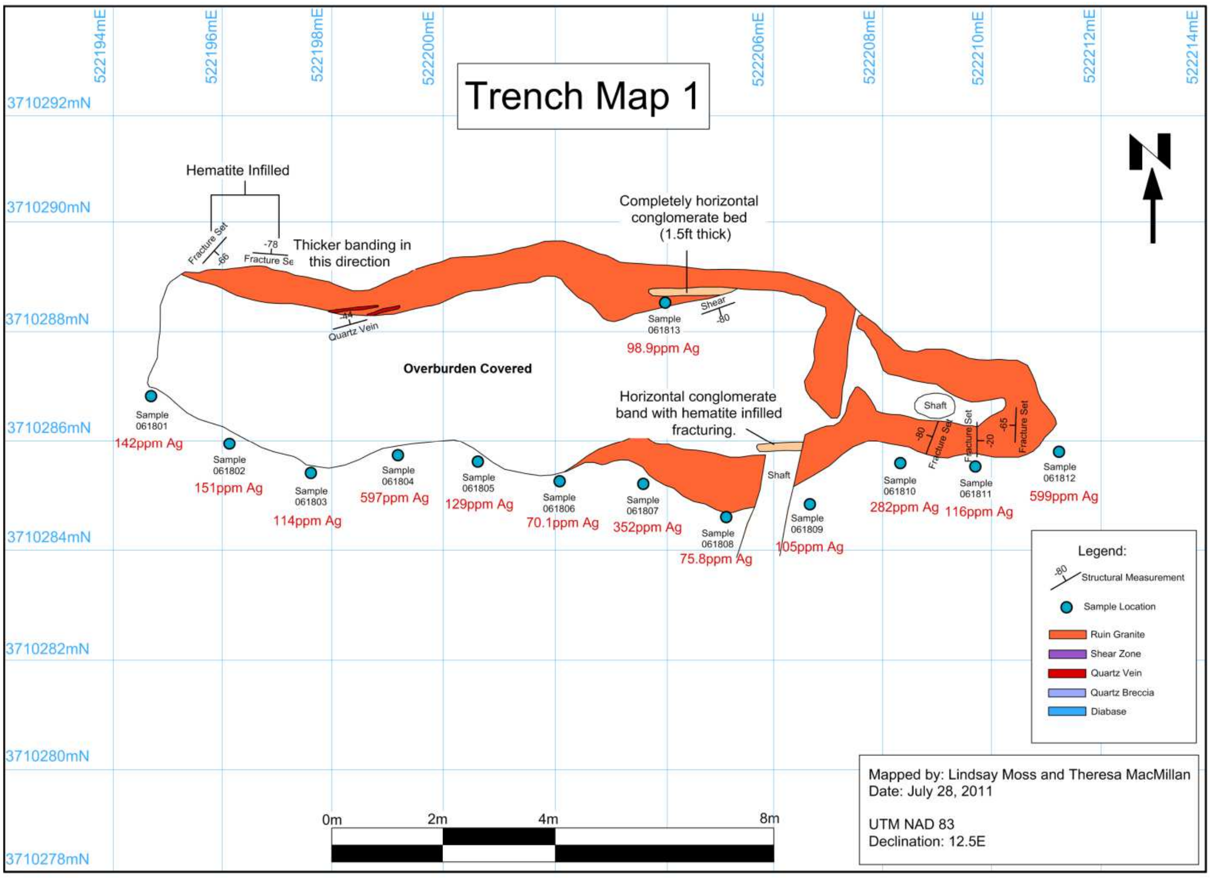
During a further field examination, Lindsay Moss, BSc. Geology, P.Geo., and Theresa MacMillan, BSc. Geology spent two weeks in Globe, Arizona from July 25th to August 8th, 2011, working on Trueclaim's Richmond Basin, silver/copper property. Work was done under the supervision of Consulting Geologist Nick Barr, BSc. Geology. The two weeks were spent detail mapping several existing trenches throughout the area, looking closely at the lithological contacts, taking abundant structural measurements, and making many observations on the strength of alteration, the degree of magnetic susceptibility and amount of mineralization seen in the area. Over 180 samples were taken in the two week work period and assays are pending. The main focus was the McMorris vein system where several historical trenches were found. An area of just over 264.4 acres (107 hectares) was mapped and multiple alteration trends were seen.

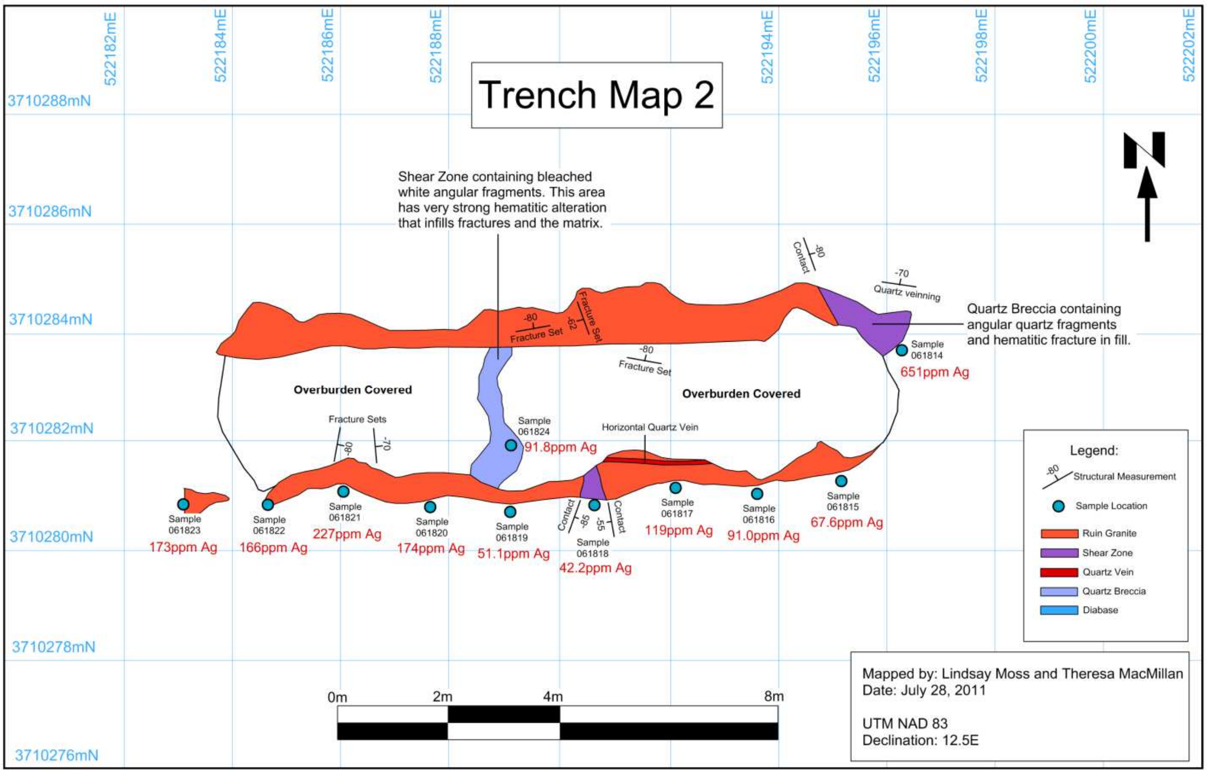
Four trenches along the McMorris vein were mapped, thoroughly sampled, and produced the following results:

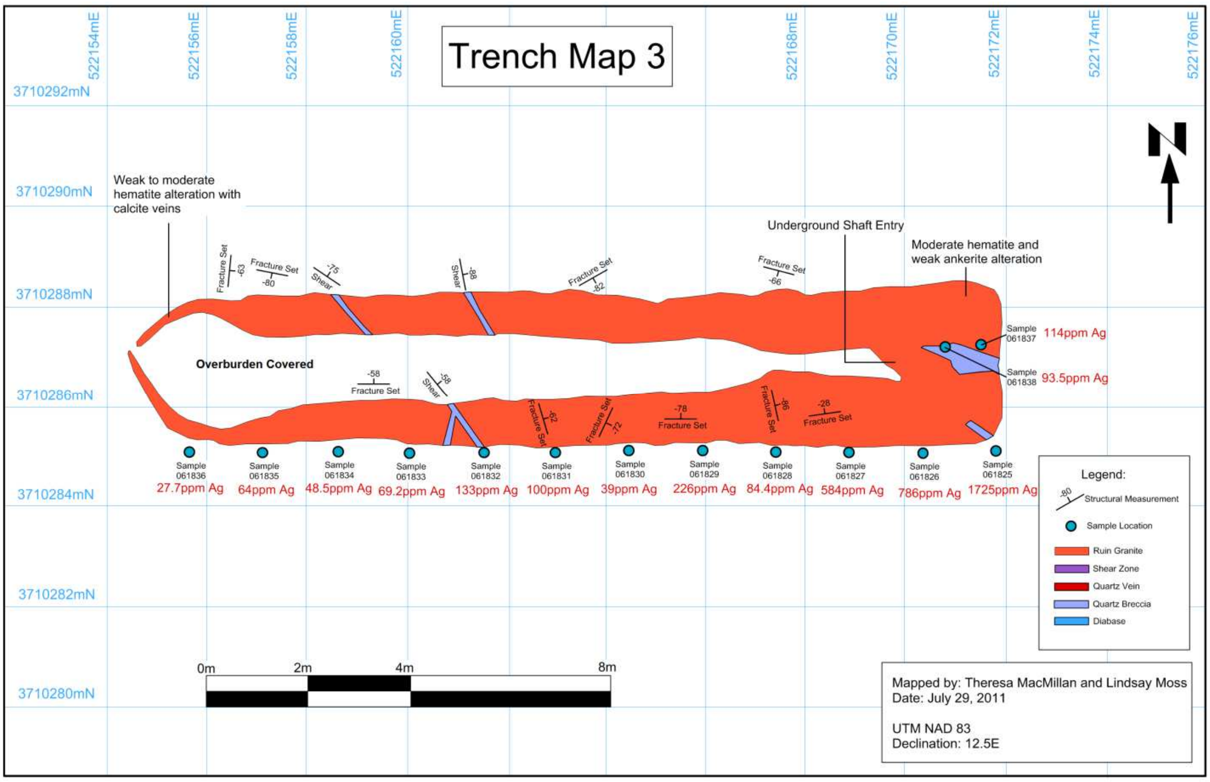
Trench	Length ft (m)	Ag ppm	Ag oz/t
1	55.0 (16.8)	227.7	7.3
2	50.0 (15.2)	181.2	5.8
3	60.0 (18.3)	323.9	10.4
4	30.0 (9.1)	119.0	3.8

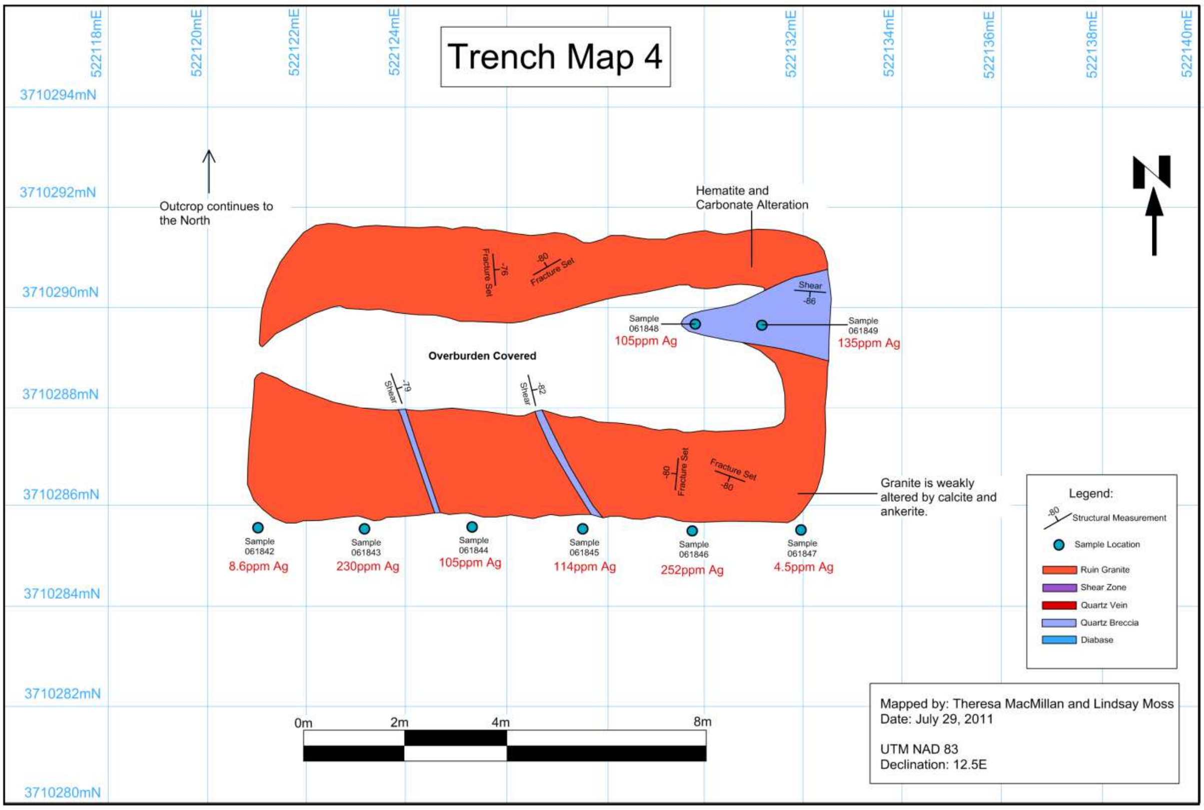
These combined results produced a grade of 6.8 oz/t (213ppm) along exposed portions totalling 145 feet within an overall length of 195.0 feet (59.4m) along the McMorris Vein. Samples were taken every 5ft (1.52m) in the exposed trenches. Mapping has indicated a vein width of approximately 10ft (3.0m). Diamond drilling is required to confirm the vein width. Within these trench intervals the highlight intervals are seen below:

	Highlight Intervals		
Trench	Length ft (m)	Ag ppm	Ag oz/t
3	15 (4.6)	1031.7	33.2
1	20 (6.1)	287.0	9.2
2	20 (6.1)	232.2	7.5
1	25 (7.6)	226.6	7.3


Trench Map 1
522194mE
522196mE
522198mE
522200mE
522206mE
522208mE
522210mE
522212mE
522214mE
3710292mN
3710290mN
3710288mN
3710286mN
3710284mN
3710282mN
3710280mN
3710278mN
Hematite Infilled
Fracture Set
-66
-78
Fracture Se
Thicker banding in this direction
Quartz Vein
Overburden Covered
Completely horizontal conglomerate bed (1.5ft thick)
Shear
-80
Sample 061813
98.9ppm Ag
Horizontal conglomerate band with hematite infilled fracturing.
Shaft
Shaft
Sample 061801
142ppm Ag
Sample 061802
151ppm Ag
Sample 061803
114ppm Ag
Sample 061804
597ppm Ag
Sample 061805
129ppm Ag
Sample 061806
70.1ppm Ag
Sample 061807
352ppm Ag
Sample 061808
75.8ppm Ag
Sample 061809
105ppm Ag
Sample 061810
282ppm Ag
Sample 061811
116ppm Ag
Sample 061812
599ppm Ag
Fracture Set
-20
-65
Legend:
Structural Measurement
Sample Location
Ruin Granite
Shear Zone
Quartz Vein
Quartz Breccia
Diabase
0m
2m
4m
8m
Mapped by: Lindsay Moss and Theresa MacMillan
Date: July 28, 2011
UTM NAD 83
Declination: 12.5E


Trench Map 2
522182mE
522184mE
522186mE
522188mE
522194mE
522196mE
522198mE
522200mE
522202mE
3710288mN
3710286mN
3710284mN
3710282mN
3710280mN
3710278mN
3710276mN
Shear Zone containing bleached white angular fragments. This area has very strong hematitic alteration that infills fractures and the matrix.
Quartz Breccia containing angular quartz fragments and hematitic fracture in fill.
Overburden Covered
Overburden Covered
Fracture Sets
Fracture Set
Fracture Set
Fracture Set
Horizontal Quartz Vein
Contact
Contact
Contact
Quartz veinning
Sample 061814
651ppm Ag
Sample 061824
91.8ppm Ag
Sample 061823
173ppm Ag
Sample 061822
166ppm Ag
Sample 061821
227ppm Ag
Sample 061820
174ppm Ag
Sample 061819
51.1ppm Ag
Sample 061818
42.2ppm Ag
Sample 061817
119ppm Ag
Sample 061816
91.0ppm Ag
Sample 061815
67.6ppm Ag
Legend:
Structural Measurement
Sample Location
Ruin Granite
Shear Zone
Quartz Vein
Quartz Breccia
Diabase
0m
2m
4m
8m
Mapped by: Lindsay Moss and Theresa MacMillan
Date: July 28, 2011
UTM NAD 83
Declination: 12.5E


Trench Map 3
522154mE
522156mE
522158mE
522160mE
522168mE
522170mE
522172mE
522174mE
522176mE
3710292mN
3710290mN
3710288mN
3710286mN
3710284mN
3710282mN
3710280mN
Weak to moderate hematite alteration with calcite veins
Underground Shaft Entry
Moderate hematite and weak ankerite alteration
Overburden Covered
Fracture Set
Shear
Fracture Set
Sample 061837
114ppm Ag
Sample 061838
93.5ppm Ag
Sample 061836
27.7ppm Ag
Sample 061835
64ppm Ag
Sample 061834
48.5ppm Ag
Sample 061833
69.2ppm Ag
Sample 061832
133ppm Ag
Sample 061831
100ppm Ag
Sample 061830
39ppm Ag
Sample 061829
226ppm Ag
Sample 061828
84.4ppm Ag
Sample 061827
584ppm Ag
Sample 061826
786ppm Ag
Sample 061825
1725ppm Ag
Legend:
Structural Measurement
Sample Location
Ruin Granite
Shear Zone
Quartz Vein
Quartz Breccia
Diabase
0m
2m
4m
8m
Mapped by: Theresa MacMillan and Lindsay Moss
Date: July 29, 2011
UTM NAD 83
Declination: 12.5E



Eighty additional small trenches were mapped and sampled thoroughly in the examined area. Of the 180 samples taken 53 samples assayed over 3.2oz/t (100ppm) silver. The samples also assayed anomalous copper, lead and zinc values.

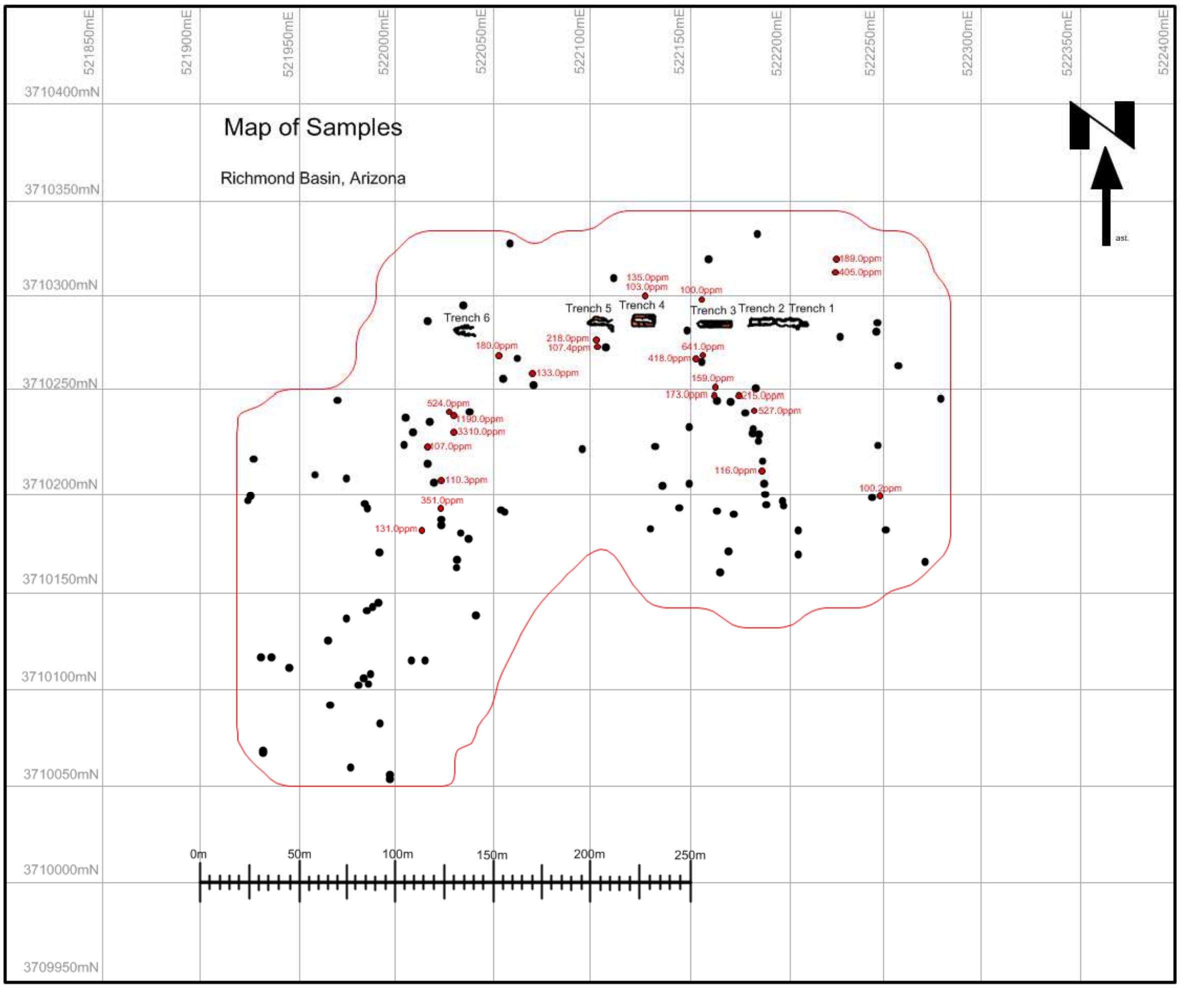
The Pre-Cambrian Ruin Granite hosts many shear zones and multiple types of alteration including hematite, ankerite, and chlorargyrite (silver chloride). The anomalous silver values are highly associated with variations in magnetic susceptibility and increased chlorargyrite alteration in the area.

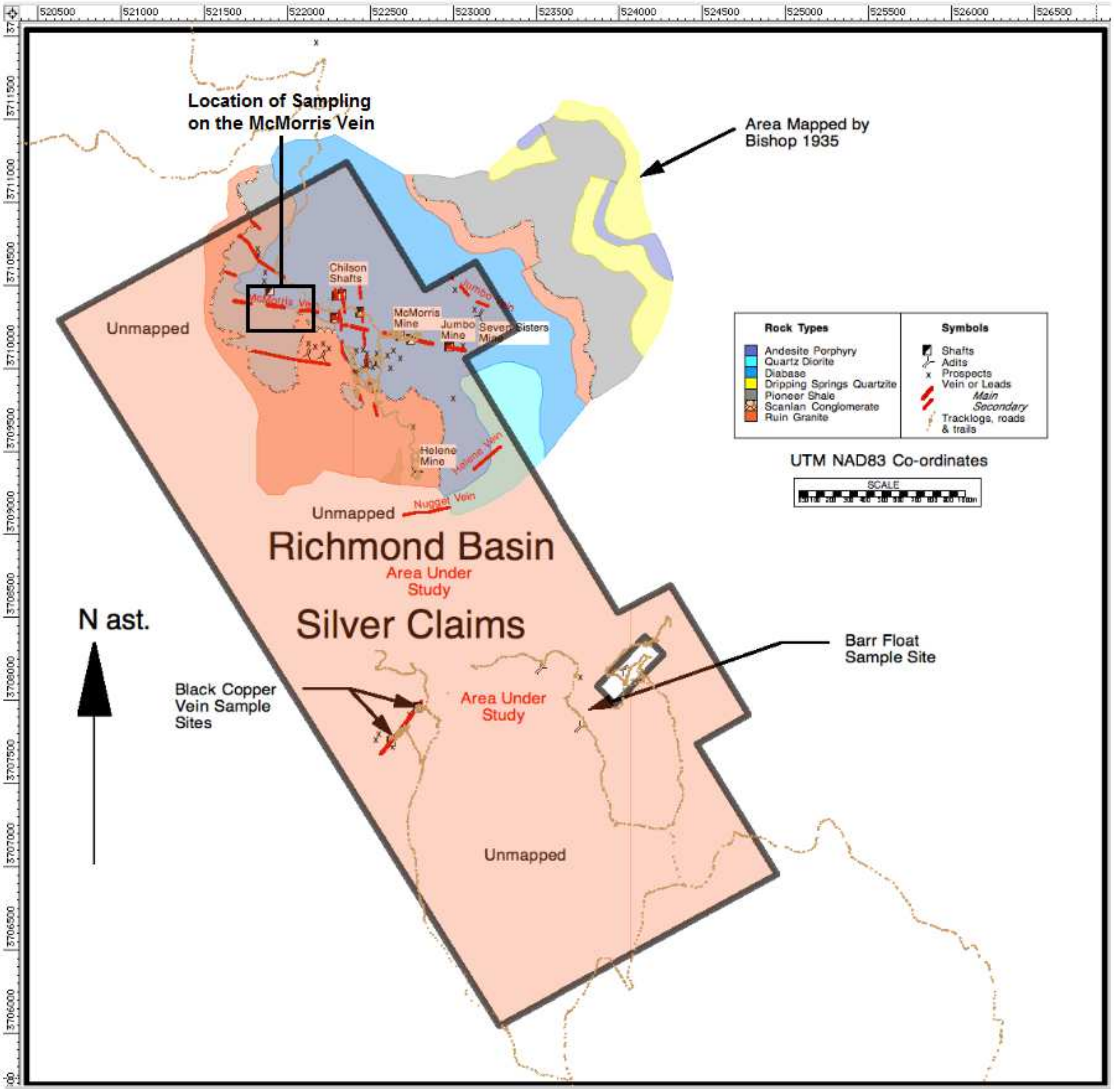
The highlights, samples over 3.2 oz/t (100 ppm) silver, taken from small and large trenches are shown below:

Sample ID	Ag ppm	Ag oz/t	Cu %	Pb%	Zn %
E5105693	3310	106.4	0.84	0.71	0.14
61825	1725	55.5	0.03	0.11	0.08
E5105694	1190	38.3	0.50	0.48	0.08
61826	786	25.3	0.03	0.06	0.08
61814	651	20.9	0.06	0.08	0.07
61881	641	20.6	0.04	0.31	0.06
61812	599	19.3	0.05	0.04	0.07
61804	597	19.2	0.15	0.14	0.15
61827	584	18.8	0.04	0.04	0.11
61854	527	16.9	0.01	0.23	0.02

Sample ID	Ag ppm	Ag oz/t	Cu %	Pb%	Zn %
E5105696	524	16.8	0.11	0.36	0.05
E5105739	475	15.3	0.02	0.06	0.05
61879	411	13.2	0.02	0.25	0.04
61877	405	13.0	0.28	0.18	0.06
61807	352	11.3	0.17	0.55	0.25
E5105684	351	11.3	0.10	0.31	0.10
61810	282	9.1	0.11	0.41	0.16
61821	277	8.9	0.02	0.04	0.02
61846	252	8.1	0.02	0.06	0.02
61843	230	7.4	0.10	0.18	0.19
61829	226	7.3	0.06	0.18	0.10
E5105707	218	7.0	0.18	0.42	0.06
61853	215	6.9	0.01	0.16	0.01
61876	189	6.1	0.15	0.18	0.08
E5105700	180	5.8	0.02	0.09	0.06
61820	174	5.6	0.05	0.12	0.02
E5105743	174	5.6	0.06	0.33	0.16
61823	173	5.6	0.01	0.02	0.02
61883	173	5.6	0.01	0.18	0.03
61822	166	5.3	0.01	0.01	0.01
61882	159	5.1	0.01	0.03	0.01
61802	151	4.9	0.08	0.17	0.10
61801	142	4.6	0.25	0.06	0.24
61849	135	4.3	0.02	0.06	0.08
61832	133	4.3	0.06	0.12	0.12
E5105698	133	4.3	0.16	0.90	0.11
E5105682	131	4.2	0.13	0.47	0.43
61805	129	4.1	0.04	0.07	0.07
61840	125	4.0	0.05	0.09	0.02
61817	119	3.8	0.06	0.18	0.02
61811	116	3.7	0.06	0.14	0.08
61862	116	3.7	0.01	0.16	0.01
61803	114	3.7	0.10	0.09	0.08
61837	114	3.7	0.04	0.04	0.08
61845	114	3.7	0.03	0.07	0.07
E5105688	107	3.4	0.13	0.65	0.28
E5105706	107	3.4	0.02	0.13	0.05
61809	105	3.4	0.08	0.35	0.16
61844	105	3.4	0.06	0.13	0.08
61848	105	3.4	0.06	0.11	0.14
E5105742	105	3.4	0.03	0.31	0.03
61831	100	3.2	0.05	0.01	0.11
61841	100	3.2	0.01	0.01	0.01

The mineralization surrounding the McMorris vein remains open for extension to the east, south west and at depth. Trueclaim has applied for a permit to drill some of these targets.





Location of Sampling
on the McMorris Vein
Area Mapped by
Bishop 1935
Unmapped
Chilson
Shafts
McMorris
Mine
Jumbo
Mine
Seven Sisters
Helene
Mine
Helene Vein
Nugget Vein
Unmapped
Richmond Basin
Area Under
Study
Silver Claims
N ast.
Black Copper
Vein Sample
Sites
Area Under
Study
Barr Float
Sample Site
Unmapped
Rock Types
Andesite Porphyry
Quartz Diorite
Diabase
Dripping Springs Quartzite
Pioneer Shale
Scanlan Conglomerate
Ruin Granite
Symbols
Shafts
Adits
Prospects
Vein or Leads
Main
Secondary
Tracklogs, roads
& trails
UTM NAD83 Co-ordinates
SCALE
520500
521000
521500
522000
522500
523000
523500
524000
524500
525000
525500
526000
526500

Capital Stock

Authorized:

Unlimited number of common shares without par value

Issued:

		March 31, 2013		December 31, 2012	
			Amount		**Amount**
Common Shares	**Note**	**Number**	**$**	**Number**	**$**
Beginning of year		95,519,200	7,653,298	78,617,700	6,647,549
Options and warrants exercised	e	-	-	-	-
Share issuance costs	a	-	-	-	(77,417)
Flow through shares issued	e	-	-	-	-
Private placement	g	-	-	16,501,500	1,057,166
Shares issued as consideration	c	-	-	400,000	26,000
Balance		**95,519,200**	**7,653,298**	**95,519,200**	**7,653,298**

		March 31, 2013		December 31, 2012	
			Amount		**Amount**
Warrants	**Note**	**Number**	**$**	**Number**	**$**
Beginning of year		10,515,455	279,141	10,284,079	324,162
Warrants expired	f	(2,264,705)	(42,956)	(8,019,374)	(288,719)
Flow through units issued	e	-	-	-	-
Private placement	g	-	-	8,250,750	262,954
Finders options exercised	d	-	-	-	-
Warrant issuance costs	b	-	-	-	(19,256)
Exercised warrants	d	-	-	-	-
Balance		**8,250,750**	**236,185**	**10,284,079**	**279,141**

Capital Stock (Continued)

As at the date of this MD&A, the following securities of the Company are outstanding:

COMMON SHARES:	**99,255,866**
WARRANTS:	**11,897,416**
FINDERS OPTIONS:	**nil**
OPTIONS:	**4,725,000**

a) Share issuance costs

Share issuance costs in conjunction with the February 12, 2012, private placement amounted to $77,417 net of tax of $1,950. This includes 1,119,000 units issued in lieu of a cash finder's fee with a fair value of $89,520 of which $71,688 is attributable to share issuance costs and $17,832 of which is attributable to warrant issuance costs. Each Finder's Unit will consist of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each warrant will entitle the finder to acquire one half of one common share of the Company at an exercise price of $0.10 per share until February 12, 2014.

b) Warrant issuance costs

Warrant issuance costs in conjunction with the February 12, 2012, private placement amount to $19,256 net of tax of $485. This includes 1,119,000 units issued in lieu of a cash finder's fee with a fair value of $89,520 of which $71,688 is attributable to share issuance costs and $17,832 of which is attributable to warrant issuance costs. Each Finder's Unit will consist of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each warrant will entitle the finder to acquire one half of one common share of the Company at an exercise price of $0.10 per share until February 12, 2014.

c) Shares issued for consideration of property

On January 24, 2012, the Company issued 200,000 common shares as part of a Scadding area mining properties contract signed on July 23, 2010. These shares were valued at $18,000 on the date of issuance.

On June 22, 2012, the Company issued 200,000 common shares as part of a Black Diamond Mining Property contract. These shares were valued at $8,000 on the date of issuance.

d) Options and warrants exercised

During the three months ended March 31, 2013, and for the year ended December 31, 2012, there were no options and warrants exercised.

e) Flow through units issued

During the three months ended March 31, 2013, and for the year ended December 31, 2012, there was no flow-through units issued.

Capital Stock (Continued)

f) ***Expired warrants***

During the three month period ended March 31, 2013, 2,264,705 warrants expired (year ended December 31, 2012: 8,019,734). The value of the expired warrants $42,956 (year ended December 31, 2012: $288,719) has been transferred to contributed surplus.

g) ***Private placement***

On February 12, 2012, 16,501,500 units were issued for total proceeds of 1,230,600. Of this amount, $985,464 was attributable to common shares and $245,136 was attributable to warrants using the Black-Scholes pricing model. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant will entitle the finder to acquire one half of one common share of the Company at an exercise price of $0.10 per share until February 12, 2014.

The following assumptions were used in the Black-Scholes pricing model:

	2012
Risk-free interest rate	1.00%
Expected dividend yield	0%
Expected price volatility	87%
Expected life	2 years

Stock Options

a) ***Stock option plan***

The Company has a stock option plan, which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the plan may have a maximum term of five years. The exercise price of options granted under the plan will not be less than the market price of the shares (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the rules of the Exchange. Stock options granted under the plan vest immediately subject to vesting terms, which may be imposed at the discretion of the directors.

Stock Options (Continued)

a) Stock option plan (Continued)

Stock option transactions during the three month period ended March 31, 2013, and the year ended December 31, 2012, were as follows:

	March 31 2013		December 31 2012	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Beginning of period/year	6,031,500	0.14	6,031,500	0.14
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(1,306,500)	0.18
Balance	4,725,000	0.15	4,725,000	0.15

As at March 31, 2013, the following share purchase options were outstanding:

Grant Date	Number of Options	Value $	Exercise Price	Weighted Average Exercise Price	Expiry Date
February 20, 2009	725,000	32,088	$0.09	$0.09	February 20,2014
July 17, 2009	300,000	22,500	$0.10	$0.10	July 17,2014
August 27, 2009	1,100,000	116,600	$0.18	$0.18	August 27,2014
September 1, 2010	400,000	27,548	$0.12	$0.12	September 1,2015
April 28, 2011	2,200,000	178,640	$0.17	$0.17	April 28, 2016
Balance	4,725,000	377,376		$0.15	

No expense relating to stock options granted prior to 2009 have been recorded in these consolidated financial statements as the options were granted by the Company prior to the reverse takeover transaction on December 18, 2008, and the amounts were not significant.

The Company recorded $Nil (2012: $5,445) as share-based compensation for options vested during the three month period ended March 31, 2013, and the year ended December 31, 2012, respectively.

Stock Options (Continued)

a) Stock option plan (Continued)

The following assumptions were used under the Black- Scholes options pricing model for the options granted:

	2012
Risk-free interest rate	1.62%
Expected dividend yield	0
Expected price volatility	164%
Expected life	2.5 years

b) Finder's options

Finder's option transactions for the three month period ended March 31, 2013, and the year ended December 31, 2012, were as follows:

	March 31 2013		**December 31 2012**	
	Number of finder's options	**Weighted average exercise price $**	**Number of finder's options**	**Weighted average exercise price $**
Beginning of period/year	452,941	0.17	895,248	0.21
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	(452,941)	0.17	(442,307)	0.26
Balance	-	-	452,941	0.27

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company has assessed or caused to be assessed the effectiveness of the Company's disclosure control procedures ("DC&P") and internal control over financial reporting ("ICFR") which has been designed or caused to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company took into consideration the following characteristics common to companies of a similar size:

- The limited number of employees in smaller companies, which constrains the Company's ability to fully segregate duties;

Disclosure Controls and Procedures (Continued)

- The Company relies on active communication with the Board and management to maintain the effectiveness of Company's disclosure controls and procedures; and
- The evolving nature of smaller companies, which limits their ability to have static processes that are well-documented.

In addition, management has relied upon certain informal procedures and communication to maintain the effectiveness of disclosure controls and procedures and to continually improve and upgrade the design and evaluation of its DC&P and ICFR. As at December 31, 2012, this evaluation confirmed the effectiveness of the design and operation of disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is reported in a timely manner so that it can provide investors with complete and reliable information. However, there can be no assurance that the risk of a material misstatement in the annual financial statements can be reduced to less than a remote likelihood.

Internal Controls and Procedures over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's Chief Executive Officer and Chief Financial Officer have concluded that internal controls over financial reporting are appropriately designed and are operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. There have been no changes in the Company's internal control over financial reporting since December 30, 2012 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Financial Risk Factors

Fair value

The carrying value of cash and cash equivalents, receivables and trade payable and accrued liabilities approximate fair value, due to their short-term nature.

Foreign exchange risk

The Company had no revenue, operating expenses, monetary assets or liabilities that were denominated in a foreign currency. Certain expenditures in respect of the Black Diamond mining property are incurred in US dollars.

Credit risk

The Company did not have any commercial customers during the periods presented and is exposed to minimal credit risk through its bank.

Financial Risk Factors (Continued)

Interest rate risk

The Company is exposed to minimal market interest rate fluctuations with respect to its cash and cash equivalents on hand.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2013, the Company had current assets of $87,577 (December 31, 2012 - $68,833) and current liabilities of $793,173 (December 31, 2012 - $647,927). The Company is currently exploring opportunities to raise additional capital.

Risks Associated with Exploration and Mining Operations

The exploration of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Company's mineral properties. Even if such commercial quantities are subsequently discovered by the Company's exploration efforts, there can be no assurance such properties can be brought in to commercial production. Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Company. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Company does not have control may be encountered and may adversely affect the Company's operations and financial results.

Environmental Risks

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that future changes to environmental legislation may not adversely affect the Company's operations.

Mineral Market

The market for minerals is subject to factors beyond the Company's control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

Funding Requirements

In order to move forward with its exploration activities, the Company may require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Financial Risk Factors (Continued)

Reliance on Management

The Company anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Company could materially adversely affect the Company

Forward Looking Statements

This discussion includes certain statements that may be deemed ″forward-looking statements″. All statements in this discussion, other than statements of historical facts, which address future production, reserve potential, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, that the Company expressly disclaims any responsibility for revising or expanding the forward-looking statements to reflect actual results or developments, and that actual results or developments may differ materially from those projected, in the forward-looking statements.

Other Information

Additional information is available on SEDAR www.sedar.com.