



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Year Ended**

**December 31, 2014**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014**

*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 year ended December 31, 2014. It has been prepared as of April 30, 2015 and includes financial and other information up to the date of this report. The MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company for year ended December 31, 2014. All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS"), and 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*

### **Description of the Business**

Trueclaim Exploration Inc. ("Trueclaim") 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 “TSX-V”).

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 #575 – 510 Burrard Street, Vancouver, BC V6C 3A8.

## Overview

The junior mining industry is faced with many tough economic challenges but Trueclaim Exploration Inc. continued to make positive advancements gaining traction from 2013.

On January 24, 2014, we entered into an addendum to an option agreement with Black Diamond Exploration Inc, (the “Optionor”) and the Optionor shareholders whereby the Company, the Optionor and Optionor shareholders have agreed to waive the default under, breach of, certain terms and provisions of the option agreement dated May 19, 2010 among the parties by issuing 1,000,000 common shares of the Company. This allowed the Company to maintain its good standing with the Black Diamond mineral property in Arizona.

On March 31, 2014, we entered into a definitive agreement with Shoreline Resource Management Inc. to develop the Scadding Tailings where Trueclaim will be entitled to 40% net profit from the proceeds. This project could potentially generate significant cash-flow to the company at no cost or dilution to our shareholders.

On May 2, 2014, we received approval from the TSX-V to amend our share structure by consolidating the fully paid and issued common shares of the Company on the basis of one (1) post-consolidation share for each ten (10) pre-consolidation shares issued and outstanding. The board of directors feel that the consolidation is necessary due to the tough market conditions which have made it extremely challenging to raise capital.

On October 21, 2014, we received our mining permit for the Scaddings Tailing Project which will allow our joint venture with Shoreline Resource Management Inc. (“SRMI”) to proceed immediately with production. SRMI will provide the necessary funds and operational capability and mining expertise with this project whereby Trueclaim will be entitled to 40% net profit from the proceeds. This project has the potential to generate significant cash-flow to the company at no cost or dilution to our shareholders.

Finally, we were able to close two private placements during the year on December 9, 2014 and March 3, 2015 for total net proceeds of \$536,000. This provided the Company with additional resources to continue with exploration activities on our mineral properties.

We have taken many steps forward during the year as we continue to move ahead with our business plan to focus on near-term production and be a self-revenue generator. Additionally, we are continually exploring financing opportunities, including other potential joint venture partners, to initiate and fund drilling for all our properties.

## Selected Annual Information

The following table presents financial information for the years ended December 31, 2014, December 31, 2013 and December 31, 2012.

	For the Year Ended December 31, 2014 IFRS	For the Year Ended December 31, 2013 IFRS	For the Year Ended December 31, 2012 IFRS
Total revenues	\$ -	\$ -	\$ -
Net loss and comprehensive loss	352,965	383,974	463,935
Basic and diluted loss per share	0.03	0.04	0.00
Total assets	5,935,075	5,703,834	5,395,961
Total current liabilities	783,260	785,054	647,927

## Review of Financial Results

### *Net loss, comprehensive loss and deficit*

During the year ended December 31, 2014 the Company incurred a net loss and comprehensive loss of \$352,965 (\$0.03 per Common Share) as compared to a net loss and comprehensive loss of \$383,974 (\$0.04 per Common Share) for the year ended December 31, 2013. The Company's cumulative deficit at December 31, 2014 was \$5,289,821 as compared to a cumulative deficit of \$4,936,856 as at December 31, 2013.

### *General and administrative*

Significant changes in general and administrative expenses were as follows:

Administrative expenses decreased by \$38,691 from \$128,553 for the year ended December 31, 2013 to \$89,862 for the year ended December 31, 2014. The decrease was due to management's strict monitoring of limited cash resources.

Management fees decreased by \$6,319 from \$130,819 for the year ended December 31, 2013 to \$124,500 for the year ended December 31, 2014.

Travel expenses increased by \$9,596 from \$3,081 for the year ended December 31, 2013 to \$12,677 for the year ended December 31, 2014. The increase was related to the joint venture agreement with Shoreline Resource Management Inc.

There was no amortization expense or impairment on investment or fixed assets as the Company wrote off all fixed assets during 2012 and wrote down their investment to \$1.

There were no options issued during the year therefore, no share based payments.

## Summary of Quarterly Results

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

	Three months ended December 31, 2014	Three months ended September 30, 2014	Three months ended June 30, 2014	Three months ended March 31, 2014
Revenue	\$ -	\$ -	\$ -	\$ -
Net Income (Loss) & Comprehensive Income (Loss)	(177,705)	(61,418)	(61,665)	(52,177)
Earnings (Loss) per share	(0.01)	(0.00)	(0.00)	(0.00)
Fully diluted earnings (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)

	Three months ended December 31, 2013	Three months ended September 30, 2013	Three months ended June 30, 2013	Three months ended March 31, 2013
Revenue	\$ -	\$ -	\$ -	\$ -
Net Income (Loss) & Comprehensive Income (Loss)	(87,581)	(95,392)	(141,929)	(59,072)
Earnings (Loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Fully diluted earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

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

*Financial information was prepared in accordance with International Financial Reporting Standards.*

## Review of Fourth Quarter

### *Net loss, comprehensive loss*

Net loss and comprehensive loss for the three months ended December 31, 2014, was \$177,705 (\$0.01 per Common share) compared to a net loss and comprehensive loss of \$87,581 (\$0.00 per Common share) for the three months ended December 31, 2013.

### *General and administrative*

General and administrative expenses ("G&A") increased by \$90,124 from \$87,581 for the three months ended December 31, 2013, to \$177,705 for the three months ended December 31, 2014. Significant changes in general and administrative expenses were as follows:

Administrative expenses increased by \$54,311 from \$5,462 for the three months ended December 31, 2013, to \$59,773 for the three months ended December 31, 2014. The increase is due to investor relations expenses to promote the Company.

## **Review of Financial Results (Continued)**

### ***General and administrative (Continued)***

Management fees increased by \$16,043 from \$29,957 for the three months ended December 31, 2013, to \$46,000 for the three months ended December 31, 2014 as the Company needed additional consultancy work.

Professional fees increased by \$28,883 from \$32,209 for the three months ended December 31, 2013, to \$61,092 for the three months ended December 31, 2014. This was due to additional legal expenses in 2014 for the closing of the private placements.

Travel expenses increased by \$10,840 from \$Nil for the three months ended December 31, 2013, to \$10,840 for the three months ended December 31, 2014.

During the three month period ended December 31, 2014, the Company has continued to monitor its expenditures very closely to ensure limited cash resources are put to maximum use.

## **Liquidity and Capital Resources**

### ***Cash resources and liquidity***

As at December 31, 2014, the Company had cash and cash equivalents of \$58,107 and negative working capital of \$654,571 compared to cash and cash equivalents of \$4,007 and negative working capital of \$734,737 as at December 31, 2013.

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 Company 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 Company 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

## **Liquidity and Capital Resources (Continued)**

### ***Investing activities (Continued)***

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. As at December 31, 2014, management believes the impairment remains accurate.

During the year ended December 31, 2014, the Company spent \$152,869 on additions to its mineral properties (2013 - \$326,389).

### ***Financing activities***

On December 9, 2014, 10,220,000 units were issued for total proceeds of \$511,000. Of this amount, \$288,715 was attributable to common shares and \$222,285 was attributable to warrants using the Black-Scholes pricing model. Each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company at an exercise price of \$0.10 per share until December 9, 2016. The following assumptions were used in the Black-Scholes pricing model: Risk-free interest rate: 1.02%; Expected dividend yield: 0%; Expected price volatility: 198%; and Expected life: 2 year. Volatility is calculated based on the changes in historical prices over the expected life of the warrants.

## **Additional Disclosures**

### ***Related party transactions***

During the year ended December 31, 2014, the Company incurred key management compensation expenses in the amount of \$102,000 (2013 - \$122,000). The Company also incurred accounting fees of \$31,206 (2013 - \$16,528) to an accounting firm of which one of the principals is also an officer and director of the Company.

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 December 31, 2014, the Company's trade payable and accrued payable balances included \$119,650 (2013 - \$159,198) payable to related parties.



## **Additional Disclosures (Continued)**

### ***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.

### ***Contingent liabilities***

At December 31, 2014 the Company was involved the following litigations, which arose in the normal course of business as follows:

As a result of recent audit by Canada Revenue Agency (“CRA”), certain Imputed Tax Credits (“ITC”) claimed by the Company on GST/HST paid during the year from 2010 to 2012 were disallowed and CRA has reassessed a total amount of \$200,586. The Company filed appeal to object the assessment. The management believes that the Company is entitled to the ITC disallowed and cannot determine the eventual amount of final assessment to be settled by the Company, which will be charged to the statement of operation in the year when it is settled with CRA.

During fiscal 2013, a vendor filed a claim against the Company for breach of contract relating to drilling activities in Ontario in the amount of \$121,040 (2013: \$121,040). The Company is defending this claim and has since filed a countersuit against the vendor. As this matter is currently under review, the Company has included the full amount of the claim in accounts payable at December 31, 2014.

### ***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 the condensed interim consolidated 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 the condensed interim 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.

### ***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 assets' 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.

## **Critical Accounting Policies and Estimates (Continued)**

### ***Impairment (Continued)***

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, 2014, \$152,869 (2013 - \$326,389) 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.

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.

## **Critical Accounting Policies and Estimates (Continued)**

### ***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 expenses 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 condensed interim 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 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 year ended December 31, 2014 and 2013, 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 condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the condensed interim 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, and investments.

## **Critical Accounting Policies and Estimates (Continued)**

### ***Financial instruments***

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

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 investments.

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.

The Company’s financial liabilities consist of trade payables and accrued liabilities. 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.

### ***Accounting standards adopted***

IAS 32 – “Financial Instruments: Presentation” was issued on December 2011 to clarify the current offsetting model and develop common disclosure requirements to enhance the understanding of the potential effects of offsetting arrangements. Amendments to IAS 32 are effective for the Corporation on January 1, 2014 with required retrospective application and early adoption permitted. The adoption of this standard did not have a material impact on the Corporation’s financial statements.

### ***Accounting standards issued but not yet effective***

- IFRS 9 – “Financial Instruments”

This new standard is a partial replacement of IAS 39 – “Financial Instruments: Recognition and Measurement”. The IASB tentatively decided to defer the mandatory effective date until January 1, 2018 with earlier adoption still permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

## **Exploration Projects (Canada)**

### *East Wahnapiatae Area, Sudbury Mining Division*

#### *Scadding Property*

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 drill holes 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<sup>o</sup>, the three holes from 2009 oriented at 315<sup>o</sup> 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 drill hole 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.

## **Exploration Projects (Canada) (Continued)**

### ***East Wahnapiatae Area, Sudbury Mining Division Scadding Property (Continued)***

#### *North Zone (Continued)*

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. Drill holes 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 drill hole 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 drill holes, 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 than 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:



## Exploration Projects (Canada) (Continued)

### *East Wahnapiatae Area, Sudbury Mining Division Scadding Property (Continued)*

#### *North Zone (Continued)*

<b>Hole ID</b>	<b>From (m (ft))</b>	<b>To (m (ft))</b>	<b>Interval (m (ft))</b>	<b>Grade (g/t)</b>
TRM-09-03	<b>79.7</b> (261.4)	<b>80.4</b> (263.7)	<b>0.7</b> (2.3)	2.5
TRM-09-03	<b>89</b> (291.9)	<b>89.9</b> (294.8)	<b>0.9</b> (2.9)	2.8
TRM-09-03	<b>99.0</b> (324.7)	<b>101.0</b> (331.3)	<b>2.0</b> (6.6)	3.2
TRM-09-04	<b>85.6</b> (280.8)	<b>86.7</b> (284.4)	<b>1.1</b> (3.6)	7.0
TRM-09-05	<b>89.4</b> (293.2)	<b>89.9</b> (294.9)	<b>0.5</b> (1.7)	55.0
TRM-10-01	<b>19.0</b> (62.3)	<b>20.0</b> (65.6)	<b>1.0</b> (3.3)	2.8
TRM-10-02	<b>30.0</b> (98.4)	<b>34.0</b> (111.5)	<b>4.0</b> (13.1)	9.6
TRM-10-06	<b>70.0</b> (231.0)	<b>72.0</b> (237.6)	<b>2.0</b> (6.6)	22.3
TRM-10-06	<b>96.0</b> (316.8)	<b>100.0</b> (330.0)	<b>4.0</b> (13.1)	2.3
TRM-10-07	<b>52.4</b> (171.9)	<b>71.6</b> (234.8)	<b>19.2</b> (62.9)	12.9
TRM-10-07	<b>94.4</b> (309.6)	<b>95.9</b> (314.5)	<b>1.5</b> (4.9)	1.1
TRM-10-07	<b>98.0</b> (323.4)	<b>98.9</b> (326.4)	<b>0.9</b> (3.0)	3.9
TRM-10-07	<b>110.2</b> (363.6)	<b>112.0</b> (369.6)	<b>1.8</b> (5.9)	25.6
TRM-10-10	<b>41.0</b> (135.3)	<b>43.7</b> (144.2)	<b>2.6</b> (8.9)	4.5
TRM-10-10	<b>50.0</b> (165.0)	<b>59.0</b> (194.7)	<b>9.0</b> (29.7)	2.9
TRM-10-10	<b>61.0</b> (201.3)	<b>62.0</b> (204.6)	<b>1.0</b> (3.3)	1.3
TRM-11-11	<b>46.1</b> (151.2)	<b>56.0</b> (183.7)	<b>9.9</b> (32.5)	1.4
TRM-11-12	<b>32.0</b> (105.0)	<b>38.0</b> (124.7)	<b>6.0</b> (19.7)	2.8
TRM-11-12	<b>63.6</b> (208.6)	<b>68.0</b> (223.0)	<b>4.4</b> (14.4)	0.7
TRM-11-13	<b>97.0</b> (318.2)	<b>99.0</b> (324.8)	<b>2.0</b> (6.6)	0.4

## Exploration Projects (Canada) (Continued)

### *East Wahnapiatae Area, Sudbury Mining Division Scadding Property (Continued)*

#### *North Zone (Continued)*

<b>Hole ID</b>	<b>From (m (ft))</b>	<b>To (m (ft))</b>	<b>Interval (m (ft))</b>	<b>Grade (g/t)</b>
TRM-11-14	<b>61.0</b> (200.1)	<b>66.0</b> (216.5)	<b>5.0</b> (16.4)	2.4
TRM-11-14	<b>99.6</b> (326.6)	<b>100.1</b> (328.3)	<b>0.5</b> (1.7)	5.9
TRM-11-14	<b>104.7</b> (343.5)	<b>113.0</b> (370.7)	<b>8.3</b> (27.2)	1.4
TRM-11-15	<b>10.0</b> (32.8)	<b>16.6</b> (54.5)	<b>6.6</b> (21.7)	1.0
TRM-11-15	<b>30.0</b> (98.4)	<b>40.0</b> (131.2)	<b>10.0</b> (32.8)	3.5
TRM-11-16	<b>38.5</b> (126.3)	<b>51.5</b> (169.0)	<b>13.0</b> (42.7)	1.9
TRM-11-30	<b>84.0</b> (275.6)	<b>87.3</b> (286.4)	<b>3.3</b> (10.8)	5.8
TRM-11-31	<b>62.0</b> (203.4)	<b>65.7</b> (215.6)	<b>3.7</b> (12.2)	1.9
TRM-11-31	<b>76</b> (249.3)	<b>79</b> (259.1)	<b>3.0</b> (9.8)	3.7
TRM-11-36	<b>40.0</b> (131.2)	<b>41.0</b> (134.5)	<b>1.0</b> (3.3)	1.1
TRM-11-36	<b>51.0</b> (167.3)	<b>53.0</b> (173.9)	<b>2.0</b> (6.6)	1.5
TRM-11-39	<b>122.3</b> (401.1)	<b>127.5</b> (418.3)	<b>5.2</b> (17.2)	2.4
TRM-11-39	<b>137.5</b> (451.0)	<b>140.1</b> (459.5)	<b>2.6</b> (8.5)	1.1
TRM-11-39	<b>153.0</b> (502.0)	<b>158.0</b> (518.4)	<b>5.0</b> (16.4)	0.7
TRM-11-40	<b>41.6</b> (136.6)	<b>42.6</b> (139.9)	<b>1.0</b> (3.3)	4.3
TRM-11-40	<b>143.2</b> (469.8)	<b>152.0</b> (498.7)	<b>8.8</b> (28.9)	0.9
TRM-11-44	<b>122.5</b> (401.9)	<b>124.0</b> (406.8)	<b>1.5</b> (4.9)	1.9
TRM-11-46	<b>46.0</b> (150.9)	<b>49.0</b> (160.7)	<b>3.0</b> (9.8)	2.2

#### *South Zone*

Prior to Trueclaim's work, the South Zone had only been intersected by one drill hole 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

## Exploration Projects (Canada) (Continued)

### *East Wahnapiatae Area, Sudbury Mining Division Scadding Property (Continued)*

#### *South Zone (Continued)*

10.1m at 3.5g/t. This drill hole 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 drill hole 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 drill hole 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

## Exploration Projects (Canada) (Continued)

### *East Wahnapiatae Area, Sudbury Mining Division Scadding Property (Continued)*

#### *South Zone (Continued)*

<b>Hole ID</b>	<b>From (m (ft))</b>	<b>To (m (ft))</b>	<b>Interval (m (ft))</b>	<b>Grade (g/t)</b>
TRM-11-02	<b>16.0</b> (52.5)	<b>26.0</b> (85.3)	<b>10.0</b> (32.8)	1.2
TRM-11-02	<b>47.0</b> (154.2)	<b>52.0</b> (170.6)	<b>5.0</b> (16.4)	2.3
TRM-11-03	<b>17.5</b> (57.4)	<b>18.5</b> (60.7)	<b>1.0</b> (3.3)	1.1
TRM-11-03	<b>32.0</b> (105.0)	<b>51.0</b> (167.3)	<b>19.0</b> (62.3)	2.5
TRM-11-06	<b>45.2</b> (148.4)	<b>46.0</b> (150.9)	<b>0.8</b> (2.5)	7.8
TRM-11-06	<b>59.7</b> (197.0)	<b>60.8</b> (200.6)	<b>1.1</b> (3.6)	1.0
TRM-11-08	<b>49.0</b> (160.8)	<b>50.0</b> (164.1)	<b>1.0</b> (3.3)	5.4
TRM-11-09	<b>27.0</b> (88.6)	<b>28.0</b> (91.9)	<b>1.0</b> (3.3)	7.3
TRM-11-09	<b>47.0</b> (155.1)	<b>52.0</b> (171.6)	<b>5.0</b> (16.5)	2.2
TRM-11-10	<b>21.6</b> (71.3)	<b>23.0</b> (75.9)	<b>1.4</b> (4.6)	1.2
TRM-11-10	<b>53.0</b> (173.8)	<b>68.8</b> (225.7)	<b>15.8</b> (51.9)	5.4
TRM-11-26	<b>42.2</b> (138.3)	<b>44.73</b> (146.7)	<b>2.58</b> (8.46)	3.2
TRM-11-26	<b>56.1</b> (184.0)	<b>56.59</b> (185.6)	<b>0.50</b> (1.63)	1.7
TRM-11-27	<b>44.0</b> (144.3)	<b>45.48</b> (149.2)	<b>1.48</b> (4.9)	1.1
TRM-11-28A	<b>27.4</b> (89.7)	<b>36.8</b> (120.7)	<b>9.4</b> (31.0)	2.5
TRM-11-29	<b>21.8</b> (71.9)	<b>22.8</b> (75.2)	<b>1.0</b> (3.3)	1.3
TRM-11-29	<b>24.0</b> (78.7)	<b>25.0</b> (82.0)	<b>1.0</b> (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:

## Exploration Projects (Canada) (Continued)

### *East Wahnapiatae Area, Sudbury Mining Division Scadding Property (Continued)*

#### *Currie Rose New Zone (Continued)*

Hole ID	From (m (ft))	To (m (ft))	Interval (m (ft))	Grade (g/t)
CR20	<b>16.8</b> (55.4)	<b>19.4</b> (64.0)	<b>26.0</b> (8.6)	3.3
CR20	<b>27.6</b> (91.1)	<b>30.7</b> (101.3)	<b>3.1</b> (10.2)	17.2
CR25	<b>53.2</b> (175.6)	<b>59.3</b> (195.7)	<b>6.1</b> (20.1)	32.2
CR27	<b>63.3</b> (208.9)	<b>66.8</b> (220.4)	<b>3.5</b> (11.5)	10.3
CR33	<b>48.9</b> (161.4)	<b>56.5</b> (186.5)	<b>7.6</b> (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	<b>15.0</b> (49.5)	<b>16.0</b> (52.8)	<b>1.0</b> (3.3)	1.8
TRM-09-10	<b>22.0</b> (72.6)	<b>23.0</b> (75.9)	<b>1.0</b> (3.3)	1.8
TRM-09-13	<b>66.0</b> (217.8)	<b>67.0</b> (221.1)	<b>1.0</b> (3.3)	47.6
TRM-11-18	<b>52.0</b> (170.6)	<b>55.7</b> (182.7)	<b>3.7</b> (12.1)	12.3
TRM-11-20	<b>63.0</b> (206.7)	<b>64.0</b> (210.0)	<b>1.0</b> (3.3)	21.5

## Exploration Projects (Canada) (Continued)

### *East Wahnapiatae Area, Sudbury Mining Division Scadding Property (Continued)*

#### *Currie Rose New Zone (Continued)*

Hole ID	From (m (ft))	To (m (ft))	Interval (m (ft))	Grade (g/t)
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. Drill hole 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 drill holes 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 drill holes 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 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 drill hole 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.

## Exploration Projects (Canada) (Continued)

### *East Wahnapiatae Area, Sudbury Mining Division Scadding Property (Continued)*

#### *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.

#### *Tecumseh 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 Wahnapiatae 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

**Exploration Projects (Canada) (Continued)**

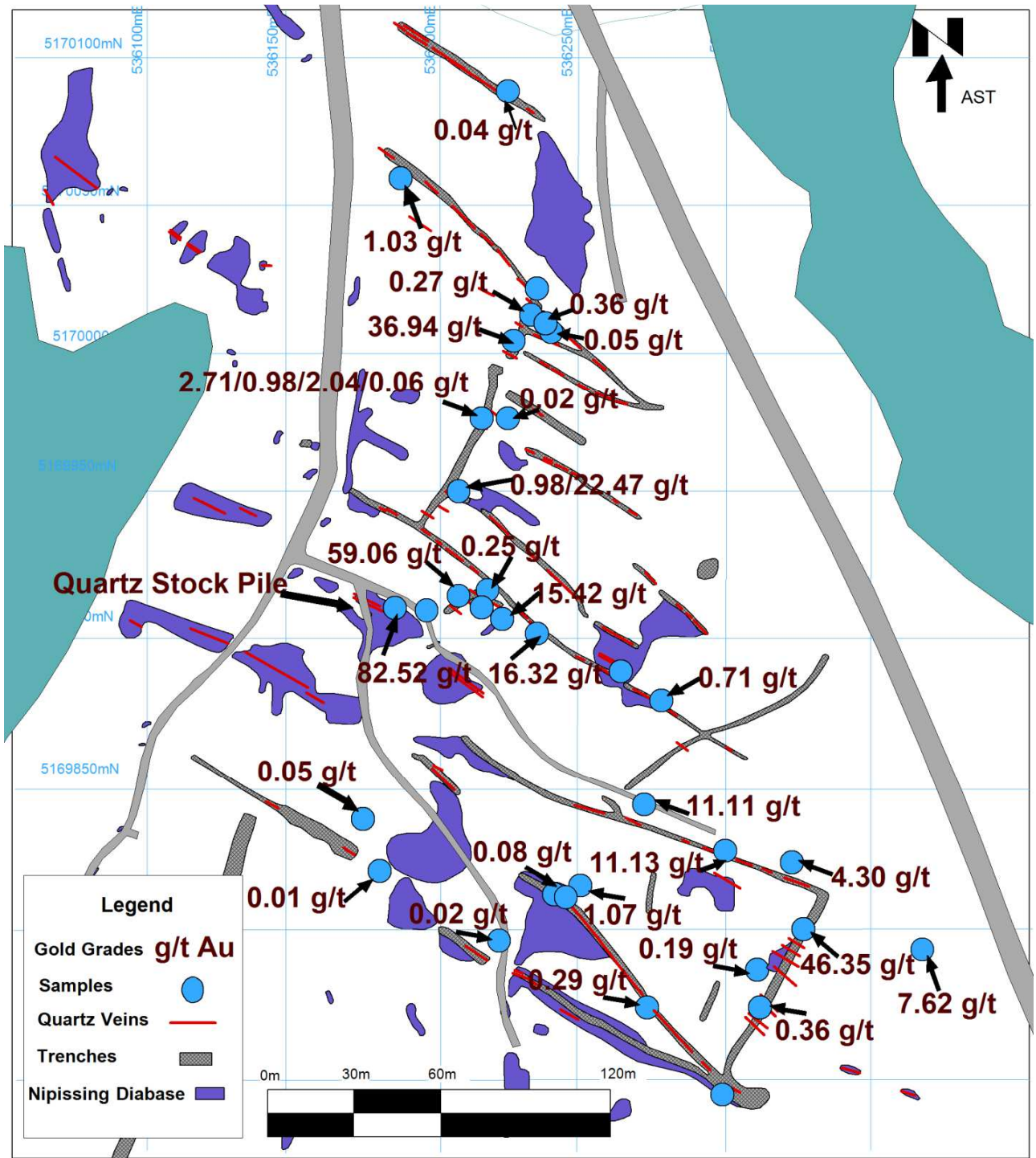
*Tecumseh Property (Continued)*

<b>Sample ID</b>	<b>Au (g/t)</b>	<b>Au (oz/t)</b>
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



# Exploration Projects (Canada) (Continued)

## Tecumseh Property (Continued)



## Exploration Projects (Canada) (Continued)

### *Tecumseh Property (Continued)*

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 they 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 disseminated 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	0.10
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

## **Exploration Projects (Canada) (Continued)**

### ***Other Canadian Properties (Continued)***

- (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

## **Exploration Projects (USA) (Continued)**

### ***Black Diamond Project, Gila County, Arizona (Continued)***

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-d diabase basal Scandan conglomerate and within a post-d 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,

## Exploration Projects (USA) (Continued)

### *Black Diamond Project, Gila County, Arizona (Continued)*

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 25<sup>th</sup> to August 8<sup>th</sup>, 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:

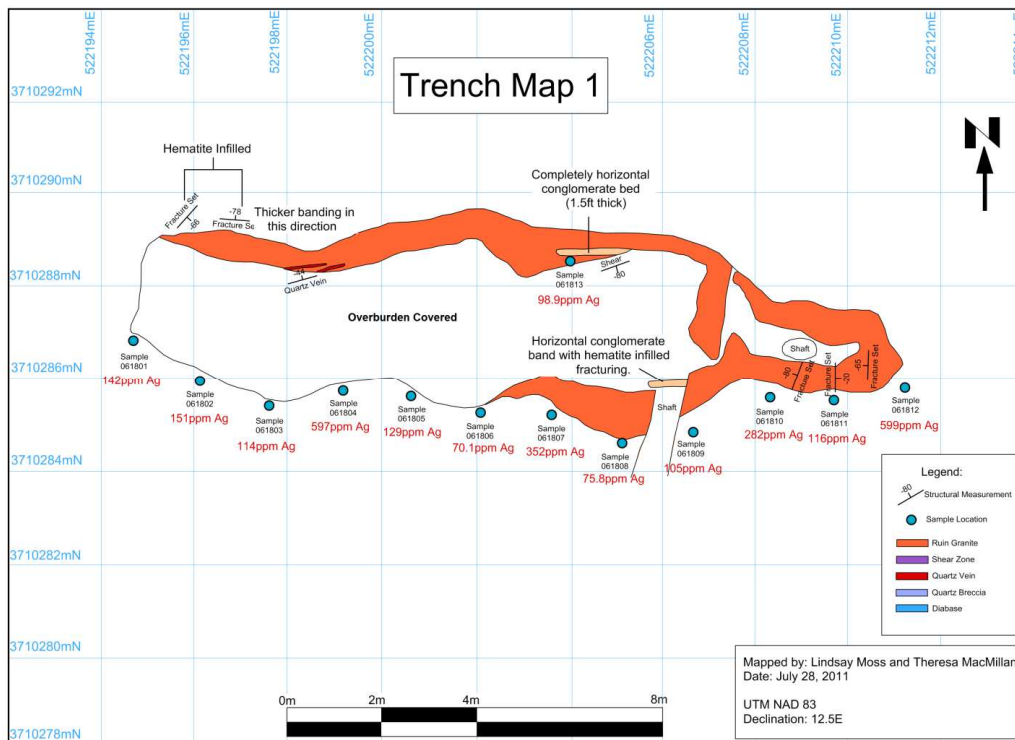
Trench	Length (ft (m))	Ag ppm	Ag oz/t
1	55.0 (16.8)	227.7	7.3
2	50.0 (15.2)	181.2	5.8
3	60.0 (18.3)	323.9	10.4
4	30.0 (9.1)	119.0	3.8

## Exploration Projects (USA) (Continued)

### Black Diamond Project, Gila County, Arizona (Continued)

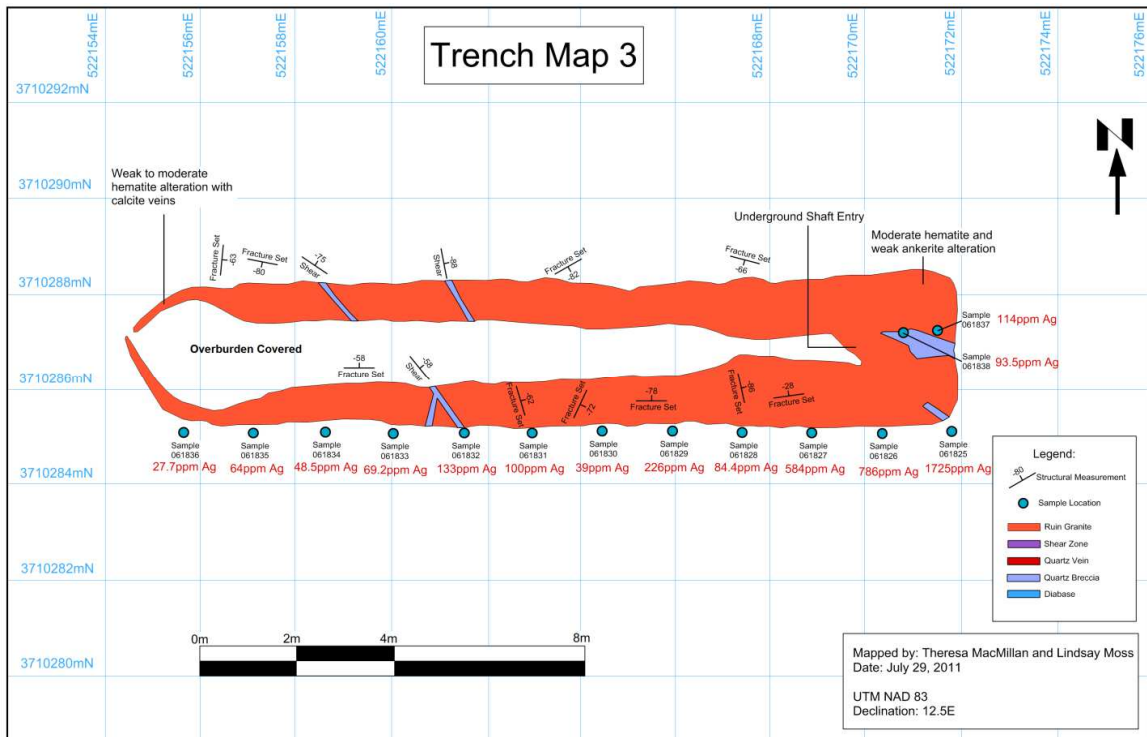
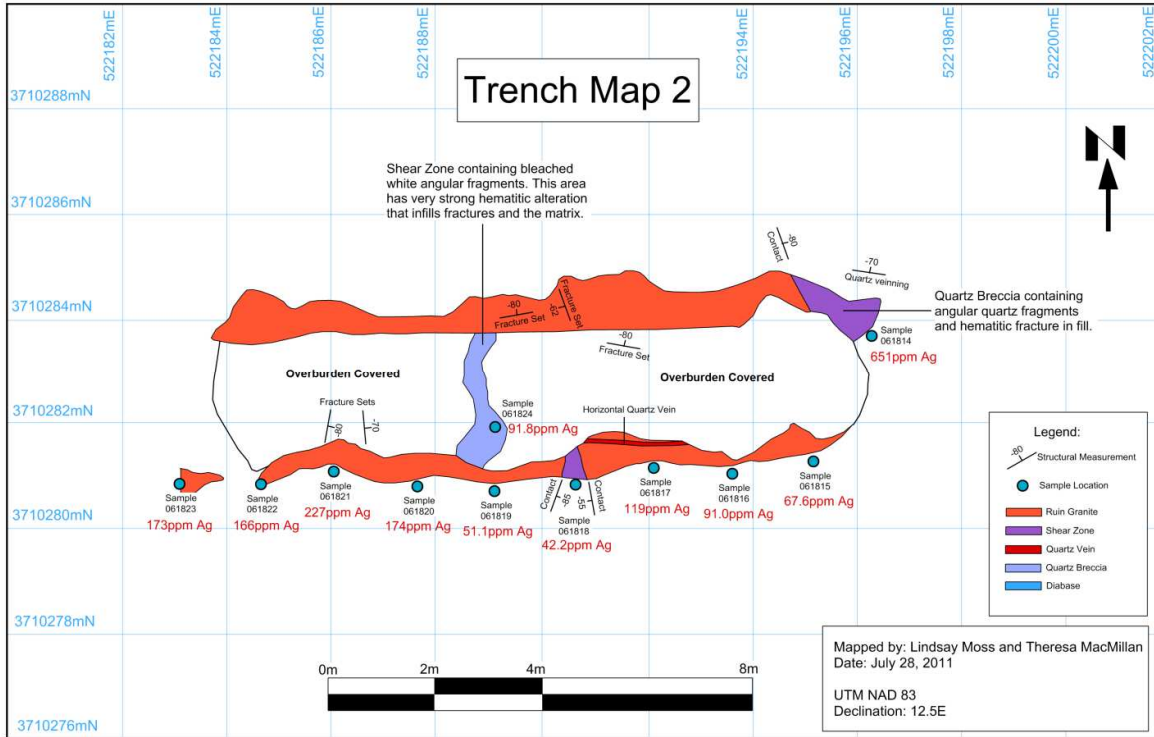
These combined results produced a grade of 6.8 oz/t (213ppm) along exposed portions totalling 145 feet within an overall length of 195.0 feet (59.4m) along the McMorris Vein. Samples were taken every 5ft (1.52m) in the exposed trenches. Mapping has indicated a vein width of approximately 10ft (3.0m).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

Trench	Highlight Intervals		
	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



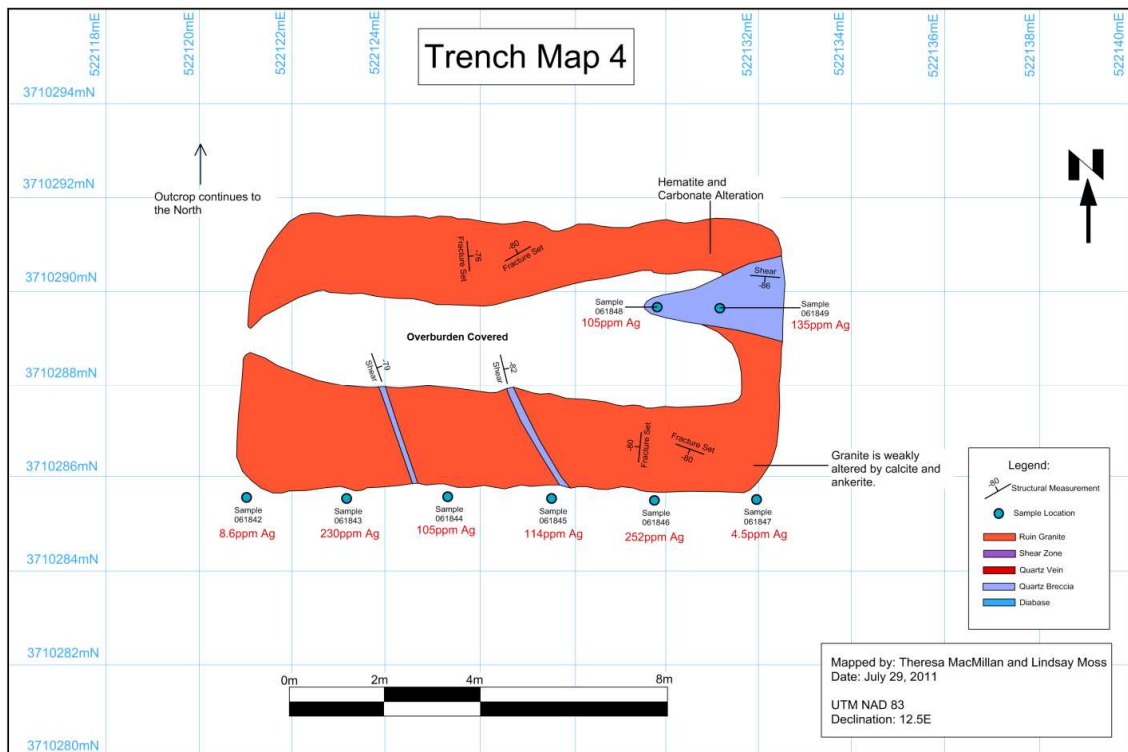
# Exploration Projects (USA) (Continued)

## Black Diamond Project, Gila County, Arizona (Continued)



## Exploration Projects (USA) (Continued)

### Black Diamond Project, Gila County, Arizona (Continued)



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 #	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



**Exploration Projects (USA) (Continued)*****Black Diamond Project, Gila County, Arizona (Continued)***

<b>Sample #</b>	<b>Ag ppm</b>	<b>Ag oz/t</b>	<b>Cu %</b>	<b>Pb %</b>	<b>Zn %</b>
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
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

**Exploration Projects (USA) (Continued)**

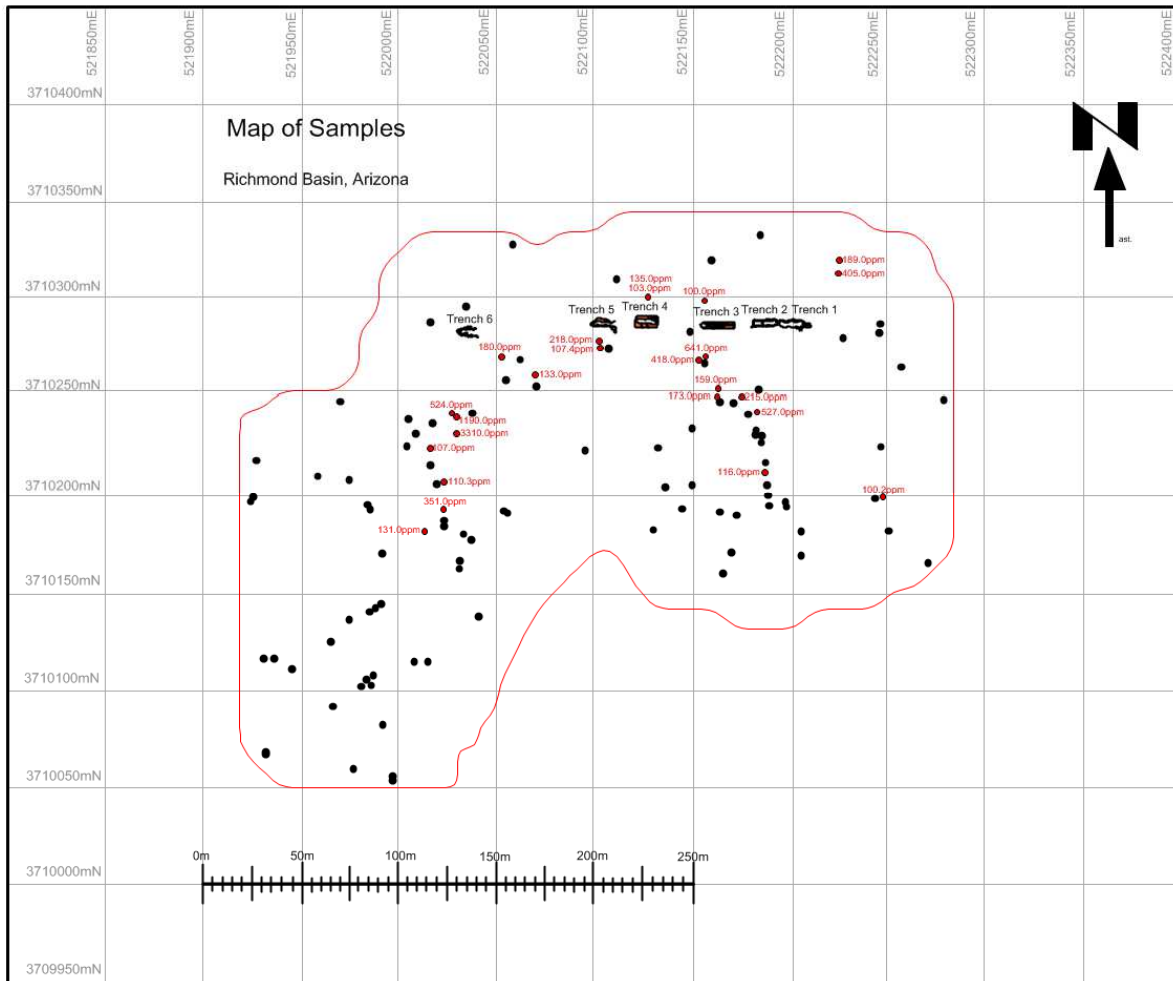
***Black Diamond Project, Gila County, Arizona (Continued)***

<b>Sample #</b>	<b>Ag ppm</b>	<b>Ag oz/t</b>	<b>Cu %</b>	<b>Pb %</b>	<b>Zn %</b>
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

## Exploration Projects (USA) (Continued)

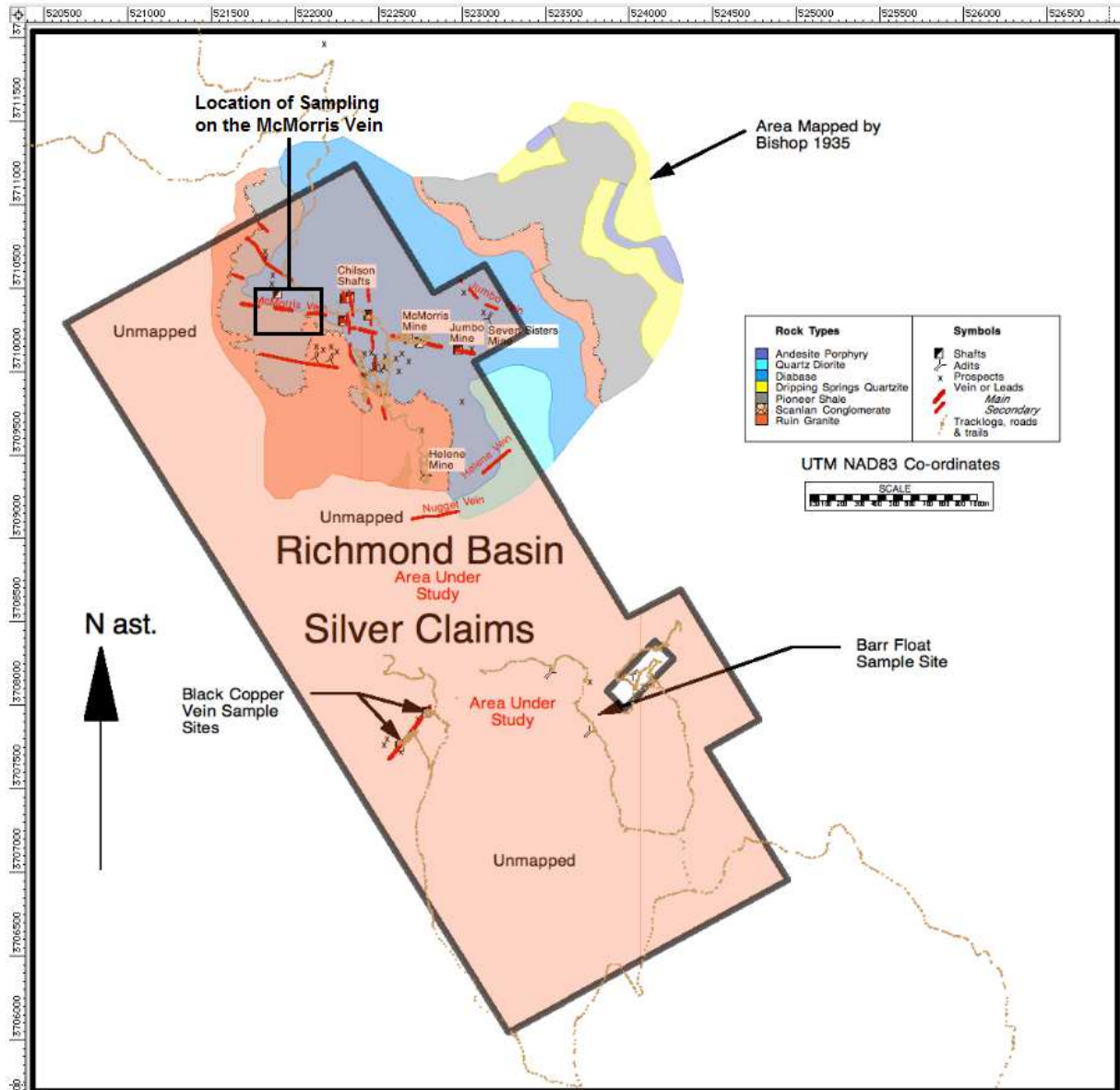
### *Black Diamond Project, Gila County, Arizona (Continued)*

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.



**Exploration Projects (USA) (Continued)**

**Black Diamond Project, Gila County, Arizona (Continued)**



## Capital Stock

### *Authorized*

Unlimited number of common shares without par value

### *Issued*

Common Shares	Note	December 31, 2014		December 31, 2013	
		Number	Amount (\$)	Number	Amount (\$)
Beginning of year/period		10,485,587	8,057,917	9,551,920	7,653,298
Options and warrants exercised	c	-	-	10,000	12,954
Share issuance costs	a	-	-	-	(480)
Private placement	e	10,220,000	288,715	833,667	347,145
Shares issued as consideration	b	100,000	50,000	90,000	45,000
<b>Balance, December 31, 2014</b>		<b>20,805,587</b>	<b>8,396,632</b>	<b>10,485,587</b>	<b>8,057,917</b>
Private placement	e	500,000	14,125	-	-
<b>Balance, April 30, 2015</b>		<b>21,305,587</b>	<b>8,410,757</b>	<b>10,485,587</b>	<b>8,057,917</b>

Warrants	Note	December 31, 2014		December 31, 2013	
		Number	Amount (\$)	Number	Amount (\$)
Beginning of year/period		1,648,742	393,798	1,051,546	279,141
Warrants expired	d	(11,887,416)	(309,659)	(226,471)	(35,444)
Private placement	e	10,220,000	222,285	833,667	153,055
Exercised warrants	c	-	-	(10,000)	(2,954)
<b>Balance, December 31, 2014</b>		<b>10,680,000</b>	<b>306,424</b>	<b>1,648,742</b>	<b>393,798</b>
Private placement	e	500,000	10,875	-	-
<b>Balance, April 30, 2015</b>		<b>11,180,000</b>	<b>317,299</b>	<b>16,487,416</b>	<b>393,798</b>

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

<b>Common Shares:</b>	21,305,587
<b>Warrants:</b>	11,180,000
<b>Finders Options:</b>	Nil
<b>Options:</b>	Nil

## Capital Stock (Continued)

### Notes

#### a) *Share issuance costs*

Share issuance costs in conjunction with the April 8, 2013 private placement amounted to \$480.

#### b) *Shares issued for consideration of property*

On September 13, 2013, the Company issued 90,000 common shares as part of a Black Diamond and a Scadding area mining properties contract. These shares were valued at \$45,000 on the date of issuance.

On January 24, 2014, the Company issued 100,000 common shares as part of a Black Diamond Mining Property contract. These shares were valued at \$50,000 on the date of issuance.

#### c) *Options and warrants exercised*

During the year ended December 31, 2013, 100,000 warrants were exercised for 100,000 common shares of the Company at a price of \$0.10 per share for total proceeds of \$10,000. In addition, \$2,954 was transferred from warrants to common shares as a result of the transaction.

During the year ended December 31, 2014, there were no warrants exercised.

#### d) *Expired warrants*

During the year ended December 31, 2013, 226,471 warrants expired. The value of the expired warrants \$35,444 has been transferred to contributed surplus.

During the year ended December 31, 2014, 1,188,742 warrants expired. The value of the expired warrants \$309,659 has been transferred to contributed surplus.

#### e) *Private placement*

On April 8, 2013, 373,667 units were issued for total proceeds of \$224,200. Of this amount, \$155,284 was attributable to common shares and \$68,916 was attributable to warrants using the Black-Scholes pricing model. Each unit consists of one common shares and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$1.00 per share until April 8, 2014. The following assumptions were used in the Black-Scholes pricing model: Risk-free interest rate: 1.01%; Expected dividend yield: 0%; Expected price volatility: 143%; and, Expected life: 1 year.

## Capital Stock (Continued)

### Notes (Continued)

#### e) *Private placement (Continued)*

On July 24, 2013, 460,000 units were issued for total proceeds of \$276,000. Of this amount, \$191,861 was attributable to common shares and \$84,139 was attributable to warrants using the Black-Scholes pricing model. Each unit consists of one common shares and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$1.00 per share until July 24, 2015. The following assumptions were used in the Black-Scholes pricing model: Risk-free interest rate: 1.17%; Expected dividend yield: 0%; Expected price volatility: 132%; and Expected life: 2 years.

On December 9, 2014, 10,220,000 units were issued for total proceeds of \$511,000. Of this amount, \$288,715 was attributable to common shares and \$222,285 was attributable to warrants using the Black-Scholes pricing model. Each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company at an exercise price of \$0.10 per share until December 9, 2016. The following assumptions were used in the Black-Scholes pricing model: Risk-free interest rate: 1.02%; Expected dividend yield: 0%; Expected price volatility: 198%; and Expected life: 2 year. Volatility is calculated based on the changes in historical prices over the expected life of the warrants.

On March 3, 2015, 500,000 units were issued for total proceeds of \$25,000. Of this amount, \$14,125 was attributable to common shares and \$10,875 was attributable to warrants using the Black-Scholes pricing model. Each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company at an exercise price of \$0.10 per share until December 9, 2016. The following assumptions were used in the Black-Scholes pricing model: Risk-free interest rate: 1.02%; Expected dividend yield: 0%; Expected price volatility: 198%; and Expected life: 2 year. Volatility is calculated based on the changes in historical prices over the expected life of the warrants.

#### f) *Share consolidation*

On May 2, 2014, the company received approval from the TSX-V to amend its share structure by consolidating the fully paid and issued common shares of the Company on the basis of one (1) post-consolidation share for each ten (10) pre-consolidation shares issued and outstanding. As a result of the consolidation, the 4,600,000 warrants outstanding have been reduced to 460,000 warrants with an exercise price of \$1.00 per common share until July 24, 2015.

## 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 option transactions during the year ended December 31, 2014, and the year ended December 31, 2013, were as follows:

	<b>December 31, 2014</b>		<b>December 31, 2013</b>	
	<b>Number of options</b>	<b>Weighted average exercise price (\$)</b>	<b>Number of options</b>	<b>Weighted average exercise price (\$)</b>
Beginning of period/year	-	-	472,500	1.5
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(472,500)	1.5
Balance	-	-	-	-

During the year ended December 31, 2013, all of the 472,500 remaining share purchase options were cancelled.

During the year ended December 31, 2014 no stock options were issued.

### b) *Finder's options transactions*

Finder's option transactions for the year ended December 31, 2014, and the year ended December 31, 2013, were as follows:



## Stock Options (Continued)

### b) Finder's options transactions (Continued)

	December 31, 2014		December 31, 2013	
	Number of finder's options	Weighted average exercise price (\$)	Number of finder's options	Weighted average exercise price (\$)
Beginning of period/year	-	-	45,294	1.70
Issued	-	-	-	-
Exercised	-	-	-	-
Expired/Cancelled	-	-	(45,294)	1.70
Balance	-	-	-	-

No finder's options were issued for the year ended December 31, 2014.

### c) Contributed surplus

The fair value of stock options which vest immediately, are recorded as an increase to contributed surplus upon issuance of the options. The fair value of stock options which do not vest immediately, are recorded as an increase to contributed surplus over the vesting period. On exercise of a stock option, the fair value previously recorded in contributed surplus is removed and recorded as share capital.

The following is the change in contributed surplus for the year ended December 31, 2014 and the year ended December 31, 2013:

	December 31, 2014	December 31, 2013
	\$	\$
Opening balance, January 1	1,403,921	1,368,477
Issuance of stock options	-	-
Issuance of finder's options	-	-
Exercised finder's options	-	-
Exercised stock options	-	-
Expired warrants	309,659	35,444
<b>Ending balance</b>	<b>1,713,580</b>	<b>1,403,921</b>

## **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;
- 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, 2014, 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 31, 2013 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.

### ***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 December 31, 2014, the Company had current assets of \$128,689 (2013 - \$50,317) and current liabilities of \$783,260 (2013 - \$785,054). 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.

## **Risks Associated with Exploration and Mining Operations (Continued)**

### ***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.

### ***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](http://www.sedar.com).