

SPEARMINT RESOURCES INC.

Management's Discussion and Analysis
For the six months ended July 31, 2020

Date of Report: September 23, 2020

The following discussion and analysis of the Company's financial condition and results of operations for the six months ended July 31, 2020, should be read in conjunction with its condensed consolidated interim financial statements and related notes. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities such as the intended work programs on its existing property interests, the ability to meet financial commitments and the ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this Management's Discussion and Analysis. These assumptions, which include management's current expectations, estimates and assumptions about its current property interests, the global economic environment, the market price and demand for mineral commodities and its ability to manage the property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause the actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price for mineral commodities, (3) delays in the start of projects with respect to its property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mineral exploration and mining, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond its control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risks and Uncertainties" below.

Nature of Business

The Company was incorporated under the Business Corporations Act of British Columbia, Canada on September 23, 2009. The Company is involved in the identification, acquisition and exploration of mineral properties that management deems as potentially viable to assist in the growth of the Company. At July 31, 2020, the Company had mineral property interests located in Canada and the United States.

Mineral Properties

Nevada Elon and McGee Properties

On July 12, 2016, the Company entered into a share purchase agreement (the “Nevada Agreement”) with five arm’s length vendors (the “Nevada Vendors”) to purchase 100% of the issued and outstanding common shares of 1074942 B.C. Ltd., which through its wholly-owned subsidiary Mathers Lithium Corp. (a Nevada corporation) holds a 100% interest in certain lithium mineral claims (the “Elon claims” and the “McGee claims”) in Nevada. The acquisition has been accounted for as an asset acquisition. In consideration for the net assets acquired, the Company issued 12,700,000 common shares at a value of \$444,500 to the Nevada Vendors pursuant to the Nevada Agreement. In addition, the Company issued 912,000 common shares at a value of \$31,920 as a finder’s fee and paid \$20,000 to the vendor for land acquisition and \$3,903 in filings fees in connection with this transaction. The above acquisition costs were allocated to the Elon Property and the McGee Property proportionately, being \$175,113 and \$325,210, respectively.

On June 14, 2017, the Company assumed an additional US\$30,000 payment owed to the vendors for the McGee claims as follows: US\$10,000 by September 1, 2017 (paid) and US\$20,000 by December 31, 2017 (paid). The vendors retain an NSR of 3.75% on the McGee claims.

During the year ended January 31, 2018 and January 31, 2020, the Company provided a security deposit of \$11,098 and \$631 in relation to its McGee Properties, respectively.

As at July 31, 2020, the Company had incurred a total of \$13,560 in claim maintenance fees on the Elon Property and \$382,133 in exploration costs on the McGee Property, respectively. The Company is planning to start up operations on this property. Plans are now being formulated by management.

As disclosed in a news release dated September 4, 2020 and September 14, 2020, the Company has received a drill permit from the Bureau of Land Management and has engaged Harrison Land Services to carry out its planned phase-two drill program on the McGee Property. This next phase of drilling will be a multi-hole drill program to test the known claystone hosted lithium mineralization.

BC EL North Nickel-Copper Prospects

In September 2017, the Company acquired a 100% interest in certain mineral claims (the “EL North Prospect” and the “EL North 2 Prospect”) in the world renowned Eskay Creek Mining Camp in the Golden Triangle of British Columbia for staking costs totaling \$2,892. The EL North Prospect consisted of 1,975 and the EL North 2 Prospect consisted of 2,107 contiguous acres, respectively. During the year ended January 31, 2020, the Company decided to reduce the size of the EL North Prospect to 632 acres and drop the EL North 2 Prospect. Accordingly, \$2,892 in staking costs and \$14,563 in exploration costs were written off.

Spearmint Resources Inc.

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In March and September 2019, the Company acquired a 100% interest in certain mineral claims (the “EL North 3 Prospect” and the “EL North 1 Prospect”) in the Golden Triangle of British Columbia for staking costs of \$280 and \$466, respectively. These prospects consist of 395 and 659 contiguous acres, respectively.

As at July 31, 2020, the Company had incurred a total of \$2,801 in exploration costs on this property.

BC NEBA Copper-Gold Prospects

In September 2017, the Company acquired a 100% interest in certain mineral claims (the “NEBA Copper-Gold Prospect”) totaling 3,052 acres located in the Golden Triangle of British Columbia for staking costs of \$2,162.

In August 2018, the Company acquired a 100% interest in certain mineral claims (the “NEBA West Prospect”) totaling 920 acres located in the Golden Triangle of British Columbia for staking costs of \$651. During the year ended January 31, 2020, the Company decided to drop these claims. Accordingly, previous staking costs of \$651 were written off.

On October 5, 2018, the Company entered into a share purchase agreement (the “SPA”) with two arm’s length vendors (the “Vendors”) to purchase 100% of the issued and outstanding shares of 1177905 B.C. Ltd., which holds a 100% interest in certain mineral claims in B.C. (the “NEBA Copper-Gold Prospects”, the “Nickle N. Property”, and the “Gold Triangle Prospects”). The acquisition has been accounted for as an asset acquisition. In consideration, the Company issued 18,000,000 shares (issued at a value of \$540,000) to the Vendors pursuant to the SPA. 1177905 B.C. Ltd. became a wholly owned subsidiary of the Company. The acquisition costs had been split evenly between these properties.

The Company performed a sampling survey program on the NEBA Copper-Gold Prospects in 2019. As disclosed in a news release dated August 13, 2019, the Company reported, of the samples collected, an anomalous gold value of 112 ppb Au (Gold) was returned from a stream sediment sample. The best rock sample contained values of 2.6% Zn (zinc) and 1.9 g/t Ag (silver) from a strongly weathered and oxidized outcrop with stockwork veining.

On September 14, 2020, the Company entered into a letter agreement with Enduro Metals Corporation, an arm’s length party, to sell certain mineral claims of its NEBA Prospects to Enduro Metals for \$25,000. The Company recognized a realized loss of \$170,124 as of July 31, 2020.

As at July 31, 2020, the Company had incurred a total of \$44,911 in exploration costs on this property.

BC Safari Copper-Gold Property

In October 2018, the Company acquired a 100% interest in a district size claims package consisting of 9,007 contiguous acres located in the northern Quesnel Trough in north-central British Columbia for staking costs of \$6,381.

As disclosed in a news release dated October 30, 2019, the Company announced the work program was completed and positive indicators had been encountered. 17 rock grab samples were collected and a total of 2 returned values of 0.23 per cent and 0.14 per cent copper, in addition to anomalous gold and silver values of 0.3 g/t gold, and 2.7 and 1.0 g/t silver. Mineralization occurs in the form of quartz-vein-controlled pyrite and chalcopyrite sulphides in association with propylitic and

potassic wall rock alteration of the host granitoids intrusion. Additional follow-up work to assess the potential for a porphyry-style deposit is currently being formulated for 2020.

As at July 31, 2020, the Company had incurred a total of \$24,370 in exploration costs on this property.

BC Hammernose Gold Property

In October 2018, the Company acquired a 100% interest in certain mineral claims consisting of 5,140 acres in the Spences Bridge gold belt located in southern British Columbia for staking costs of \$3,640.

In July 2019, the Company acquired a 100% interest in certain mineral claims to increase the size of the Hammernose Gold Property to 5,910 acres for staking costs of \$546.

In July 2020, the Company acquired a 100% interest in certain mineral claims to increase the size of the Hammernose Gold Property to 8,685 acres for staking costs of \$1,966.

As disclosed in a news release dated July 14, 2020 and August 4, 2020, Rio Minerals Limited has been engaged and successfully completed a work program on the Hammernose Gold Property. All the creeks on the three tenures were sampled and all outcrops and areas of interest were geologically mapped and sampled by Rio Minerals Limited. The samples have been hand-delivered to ActLabs in Kamloops and we should have the results in 4-8 weeks.

As at July 31, 2020, the Company had incurred a total of \$9,934 and prepaid \$13,750 in exploration costs on this property.

BC Gold Triangle Prospects

In July 2017, the Company acquired a 100% interest in four separate gold prospects (the “Gold Triangle Prospects”) totalling 4,092 acres located in the Golden Triangle gold District in British Columbia for staking costs of \$2,900. During the year ended January 31, 2020, the Company decided to drop one gold prospect consisting of 893 acres. Accordingly, \$632 in staking costs and \$4,488 in exploration costs associated with this claim were written off.

In October 2018, the Company indirectly acquired a 100% interest in certain mineral claims in British Columbia under the SPA.

In July 2019, the Company acquired a 100% interest in two Prickle claims consisting of 4,980 contiguous acres in the Golden Triangle of British Columbia for staking costs of \$3,527.

As disclosed in a news release dated August 9, 2019, the Company reported on results of a recent sampling program on its Gold Triangle Prospects. Of the samples collected, a sulphide-bearing float sample collected from a creek in the GT-2 mineral tenure returned a significant assay value of 264 ppbAu (gold) and a 1740 ppm Cu (copper).

As at July 31, 2020, the Company had incurred a total of \$48,255 in exploration costs on this property.

NL Goose Gold Project

On August 10, 2020, the Company entered into a purchase agreement with arm's length vendors (the "Goose Gold Vendors") to acquire a 100% interest in certain mineral claims (the "Goose Gold Project") consisting of 185 acres located in Newfoundland, Canada. In consideration, the Company is required to issue 2,000,000 shares to the Goose Gold Vendors (issued at a value of \$130,000).

As disclosed in a news release dated August 28, 2020, the Company has engaged Ridgeline Exploration Services Inc. for a planned work program on this property.

ON Carscallen West Gold Project

In May 2020, the Company acquired a 100% interest in certain mineral claims (the "Carscallen West Gold Project") located in the Abitibi Greenstone belt in Ontario consisting of approximately 2,500 contiguous acres for staking costs of \$2,450.

ON Case Lake South Cesium Prospect

In April and May 2020, the Company acquired a 100% interest in certain mineral claims (the "Case Lake South Cesium Prospect") located in the Larder Lake Mining Division in Northeast Ontario consisting of approximately 5,000 contiguous acres for staking costs of \$4,700.

In August 2020, the Company acquired a 100% interest in certain mineral claims to increase the size of the size of the Case Lake South Cesium Prospect to approximately 7,300 acres for staking costs of \$2,350.

The Company is planning to begin a work program on this property.

ON Escape Lake North PGM Project

In May 2020, the Company acquired a 100% interest in certain mineral claims (the "Escape Lake North PGM Project") in Ontario consisting of approximately 4,000 contiguous acres for staking costs of \$3,950. This property is located near existing infrastructure in a mining-friendly jurisdiction just north of Thunder Bay, Ontario.

ON River Valley East Platinum-Palladium Prospect

In January 2020, the Company acquired a 100% interest in certain mineral claims (the "River Valley East Platinum-Palladium Prospect") in Ontario consisting of approximately 4,700 contiguous acres for staking costs of \$4,850.

QC Chibougamau Vanadium Prospects

In June 2017, the Company acquired a 100% interest in four separate vanadium prospects, the "Chibougamau Vanadium Prospects", all located in the direct vicinity of Lac Chibougamau, Quebec for staking costs of \$4,550. These four separate vanadium prospects comprise 71 separate claims totaling approximately 9,737 acres.

In December 2018 and January 2019, the Company increased its acreage in this district to

consolidate the four separate prospects into one contiguous property now consisting of 13,985 acres for staking costs of \$3,031.

As disclosed in a news release on February 1, 2019, the Company announced that it has received the remainder of the airborne data. The results of the Company's airborne magnetic geophysical survey define an approximately nine km northeast-trending linear magnetic anomaly coincident with the southern margin of the Lac Dore anorthosite on the north arm of the Chibougamau anticline. A second parallel linear magnetic anomaly occurs in the easternmost area of the claims along the southern limb of the Chibougamau anticline within rocks regionally mapped as Lac Dore anorthosite. These and other linear positive linear magnetic anomalies defined by the Company's airborne geophysical survey warrant ground follow-up to establish the nature of the anomalies, and if they host layered magnetite-bearing anorthosite-gabbro rocks.

In February 2019, the Company increased its acreage in this district by 3,154 acres to a total of 17,139 contiguous acres for staking costs of \$457.

During the year ended January 31, 2020, the Company decided not to continue with 12 mineral claims covering approximately 1,646 acres and allowed them to lapse when they became due. Accordingly, prior acquisition costs of \$769 and exploration costs of \$14,710 associated with these claims had been written off during the period.

As of July 31, 2020, the Company had incurred a total of \$89,382 in exploration costs on this property.

Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund further work programs on this property. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favorable or at all.

QC Perron-East Gold Prospects

In September 2019, the Company acquired a 100% interest in the Perron-East Gold Prospects consisting of four mineral claim blocks covering 2,862 acres located in the Abitibi greenstone belt of northwestern Quebec for staking costs of \$1,372.

In February and June 2020, the Company significantly expanded this property to now covering approximately 10,910 acres consisting of six mineral claim blocks for additional staking costs of \$4,543.

The Company is planning to begin a work program on this property.

Overall Performance

The Company is a mineral exploration company engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. The Company does not expect to generate any revenues in the foreseeable future or until a mineable reserve is defined and economically recoverable. The Company expects to continue to incur expenses as it works to further explore and develop its mineral properties.

The Company has conducted limited exploration on some of its properties, due to, among other things, the availability of sufficient funds for the purposes of mineral exploration and development, access to the property due to climate conditions, the uncertainties associated with the prices of

precious and base metals and other minerals, and the global economic climate. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable.

The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets. The recoverability of minerals from the Company's properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its properties and upon future profitable production. Uncertainty in credit markets, fluctuation in commodity prices and general economic downturns has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulty raising equity financing for the purposes of exploration and development of the Company's properties, without diluting the interests of current shareholders of the Company. See "Liquidity and Capital Resources" and "Risks and Uncertainties" for a discussion of risk factors that may impact the Company's ability to raise funds.

Information about the Company's commitments relating to its mineral properties is discussed above under "Nature of Business – Mineral Properties".

The Company did not generate any revenue during the six months ended July 31, 2020 and 2019. The Company's net comprehensive loss increased from \$289,072 for the six months ended July 31, 2019 to \$338,208 for the six months ended July 31, 2020, mainly due to an increase in share-based payments and an increase in loss on sale of exploration and evaluation assets offset by a decrease in the write-down of exploration and evaluation assets. The Company had a working capital of \$228,671 and cash of \$771,688 at July 31, 2020 as compared to a working capital deficiency of \$347,391 and cash of \$151,553 at January 31, 2020.

The Company's current assets have increased to \$800,062 as at July 31, 2020 from \$153,421 as at January 31, 2020 due mainly to an increase in cash. The Company's current liabilities have increased to \$571,391 as at July 31, 2020 from \$500,812 as at January 31, 2020, mainly due to an increase in accounts payable. The value ascribed to the Company's exploration and evaluation assets has decreased from \$1,547,408 as at January 31, 2020 to \$1,578,767 as at July 31, 2020, due mainly to a realized loss on sale of certain mineral claims of the NEBA Projects as described above. As at July 31, 2020, the Company had an accumulated deficit of \$4,468,490 since inception. The Company expects to incur further losses in the development of its business, all of which casts substantial doubt on the Company's ability to continue as a going concern.

As a result, management believes that the Company's available funds will not be sufficient to meet its working capital requirements for the next twelve-month period. Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund the Company's planned work programs on its mineral properties and ongoing operations. In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable or at all. The Company may have difficulty raising additional funds as necessary due to a number of uncertainties and risk factors, including uncertainty in credit markets, fluctuation in commodity prices and general economic downturns. See "Liquidity and Capital Resources" and "Risks and Uncertainties" for a discussion of risk factors that may impact the Company's ability to raise funds.

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the eight most recently completed interim quarters:

	2021 Second	2021 First	2020 Fourth	2020 Third	2020 Second	2020 First	2019 Fourth	2019 Third
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Loss before discontinued operations and extraordinary items:								
Total	\$(301,368)	\$(36,840)	\$(263,845)	\$(26,114)	\$(230,650)	\$(58,422)	\$(70,473)	\$(185,943)
Loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Loss per share fully diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Net comprehensive loss:								
Total	\$(301,368)	\$(36,840)	\$(263,845)	\$(26,114)	\$(230,650)	\$(58,422)	\$(70,473)	\$(185,943)
Loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Loss per share fully diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)

Summary of Results During Prior Eight Quarters

Net comprehensive loss decreased by \$115,470 from the third to the fourth quarter of 2019 primarily due to a decrease of \$125,536 in share-based payments. Net comprehensive loss decreased by \$12,051 from the fourth quarter of 2019 to the first quarter of 2020 primarily due to a decrease of \$24,789 in professional fees offset by a decrease of \$16,667 in other income on settlement of flow-through share premium liability. Net comprehensive loss increased by \$172,228 from the first to the second quarter of 2020 mainly due to an increase in the write-down of exploration and evaluation assets. Net comprehensive loss decreased by \$204,536 from the second to the third quarter of 2020 primarily due to a decrease of \$211,738 in the write-down of exploration and evaluation assets. Net comprehensive loss increased by \$237,731 from the third to the fourth quarter of 2020 primarily due to an increase in share-based payments. Net comprehensive loss decreased by \$227,005 from the fourth quarter of 2020 to the first quarter of 2021 primarily due to a decrease in share-based payments. Net comprehensive loss increased by \$264,528 from the first to the second quarter of 2021 primarily due to an increase in realized loss on sale of exploration and evaluation assets, share-based payments and corporate branding expenses.

Three months ended July 31, 2020 Compared to the Three months ended July 31, 2019

The Company did not generate any revenues for the three months ended July 31, 2020 and 2019. Net comprehensive loss was \$301,368 for the three months ended July 31, 2020 compared to \$230,650 for the three months ended July 31, 2019. The increase was mainly due to an increase in operating expenses and an increase in realized loss on sale of exploration and evaluation assets (three months ended July 31, 2020: \$170,124; three months ended July 31, 2019: Nil) offset by a decrease in the write-down of exploration and evaluation assets (three months ended July 31, 2020: \$Nil; three months ended July 31, 2019: \$212,204).

Operating expenses increased by \$96,384 from \$34,860 for the three months ended July 31, 2019 to \$131,244 for the three months ended July 31, 2020. The increase in operating expenses was mainly due to an increase in share-based payments as well as an increase in corporate branding expenses.

Increased share-based payments (three months ended July 31, 2020: \$71,114; three months ended July 31, 2019: \$nil) were due to the Company granted 3,000,000 stock options to its directors, officers and consultants with an exercise price of \$0.05 per share and an expiry date of May 15, 2021 during the three months ended July 31, 2020 as compared to Nil options were granted during the three months ended July 31, 2019. The Company may grant options that are available under the stock option plan in the next 12 months period.

Corporate branding expenses increased during the three months ended July 31, 2020 to \$18,750 (three months ended July 31, 2019: \$Nil) for online branding. The corporate branding expenses were incurred to increase the awareness of the Company and the mining industry in general. Management anticipates such expenses may be similar or higher in the next 12 month period due to management's decision regarding overall branding expenses, including a decision to increase online branding, or other such future services.

Six months ended July 31, 2020 Compared to the Six months ended July 31, 2019

The Company did not generate any revenues for the six months ended July 31, 2020 and 2019. Net comprehensive loss was \$338,208 for the six months ended July 31, 2020 compared to \$289,072 for the six months ended July 31, 2019. The increase was mainly due to an increase in operating expenses and an increase in realized loss on sale of exploration and evaluation assets (six months ended July 31, 2020: \$170,124; six months ended July 31, 2019: Nil) offset by a decrease in the write-down of exploration and evaluation assets (six months ended July 31, 2020: \$Nil; six months ended July 31, 2019: \$227683).

Operating expenses increased by \$89,293 from \$78,791 for the six months ended July 31, 2019 to \$168,084 for the six months ended July 31, 2020. The increase in operating expenses was mainly due to an increase in share-based payments as well as an increase in corporate branding expenses.

Increased share-based payments (six months ended July 31, 2020: \$71,114; six months ended July 31, 2019: \$nil) were due to the Company granted 3,000,000 stock options to its directors, officers and consultants with an exercise price of \$0.05 per share and an expiry date of May 15, 2021 during the six months ended July 31, 2020 as compared to Nil options were granted during the six months ended July 31, 2019. The Company may grant options that are available under the stock option plan in the next 12 months period.

Corporate branding expenses increased during the six months ended July 31, 2020 to \$18,750 (six months ended July 31, 2019: \$Nil) for online branding. The corporate branding expenses were incurred to increase the awareness of the Company and the mining industry in general. Management anticipates such expenses may be similar or higher in the next 12 month period due to management's decision regarding overall branding expenses, including a decision to increase online branding, or other such future services.

See "Nature of Business – Mineral Properties" for a discussion of the Company's mineral properties on a property by property basis, including its plans for the mineral properties, the status of its plans, expenditures made and the anticipated timing and costs to take its mineral properties to the next stage of the project plan.

See “Overall Performance” for a discussion of events, risks and uncertainties that the Company believes will materially affect its future performance and “Risks and Uncertainties” for a discussion of risk factors affecting the Company.

Discussion of Operations

Use of Proceeds

The table below provides an update as to the status of how the Company has previously announced a proposed use of proceeds from prior financings and the actual use of such proceeds.

Financing	Previously Disclosed Use of Proceeds	Status of Use of
\$90,000 Non Flow-through \$84,000 Flow-through <i>January 2020 Private Placement</i>	Non Flow-through funds – towards general working capital. Flow-through funds - towards existing Canadian properties.	As of the date of this report, \$90,000 in non flow-through funds has been fully used in working capital; for flow-through funds, \$13,750 was used in Hammernose exploration and \$60,250 has not been used.
\$575,290 Non Flow-through \$124,500 Flow-through <i>January 2020 Private Placement</i>	Non Flow-through funds – towards general working capital and existing projects. Flow-through funds - towards existing Canadian properties.	As of the date of this report, for the non flow-through funds, \$166,690 was used in working capital and \$408,600 has not been used; and \$124,500 in flow-through funds has not been used.

In January 2020, the Company closed a non-brokered private placement consisting of 7,000,000 flow-through units (the “FT Units”) and 7,500,000 non flow-through units (the “NFT Units”) all at \$0.012 per share for gross proceeds of \$174,000. Each FT Unit consisted of one flow-through common share and one share purchase warrant which entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.05 per share until January 17, 2025. Each NFT Unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of \$0.05 per share until January 17, 2025.

In July 2020, the Company closed a non-brokered private placement consisting of 3,557,142 flow-through units (the “FT Units”) at \$0.035 per FT Unit and 19,176,332 non flow-through units (the “NFT Units”) at \$0.03 per NFT Unit for gross proceeds of \$699,790. Each FT Unit consisted of one flow-through common share and one share purchase warrant which entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.05 per share until July 29, 2025. Each NFT Unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of \$0.05 per share until July 29, 2025.

Liquidity and Capital Resources

Liquidity

The Company had a working capital of \$228,671 and cash of \$771,688 at July 31, 2020 as compared to a working capital deficiency of \$347,391 and cash of \$151,553 at January 31, 2020.

The Company's current assets have increased to \$800,062 as at July 31, 2020 from \$153,421 as at January 31, 2020 due mainly to an increase in cash. The Company's current liabilities have increased to \$571,391 as at July 31, 2020 from \$500,812 as at January 31, 2020, mainly due to an increase in accounts payable. The value ascribed to the Company's exploration and evaluation assets has decreased from \$1,547,408 as at January 31, 2020 to \$1,578,767 as at July 31, 2020, due mainly to a realized loss on sale of certain mineral claims of the NEBA Projects as described above.

During the six months ended July 31, 2020, the following occurred:

- In July 2020, the Company closed a non-brokered private placement consisting of 3,557,142 FT Units at \$0.035 per FT Unit and 19,176,332 NFT Units at \$0.03 per NFT Unit for gross proceeds of \$699,790.
- 666,000 share purchase warrants were exercised at \$0.05 per share for gross proceeds of \$33,300.

Subsequent to July 31, 2020, 2,562,000 share purchase warrants were exercised at \$0.05 per share for gross proceeds of \$128,100.

Management believes that the Company's cash will not be sufficient to meet its working capital requirements for the next twelve months period. As a mineral exploration company, expenses are expected to increase as the Company explores its mineral properties further; however, management does not expect the Company to generate revenues in the foreseeable future.

The Company's ability to conduct the planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they become due is dependent, in large part, on the ability of its management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of the Company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase its liabilities and future cash commitments. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable to the Company or at all. The Company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

There is substantial doubt about the Company's ability to continue as a going concern as the continuation of its business is dependent upon obtaining further long-term financing, successful exploration of its mineral property interests, the identification of reserves sufficient to warrant development, successful development of its property interests and achieving a profitable level of operations. Due to the uncertainty of the Company's ability to meet its current operating and capital expenses, in their report on the Company's audited financial statements for the year ended January 31, 2020, the independent auditors included an explanatory paragraph regarding their substantial doubt about the Company's ability to continue as a going concern.

The Company has no long-term debt.

Capital Resources

The Company has the following commitments for capital expenditures with respect to its mineral properties as of July 31, 2020. The expenditures are optional and the Company may decide not to incur such payments in the event the Company does not decide to pursue further exploration with respect to such properties. As the BC Ministry continues to respond and adapt to the directions and orders issued in response to COVID-19, the Chief Gold Commissioner has issued a blanket [Time Extension Order](#) for all claims and leases, as well as all coal licenses and leases. All but one of the Company's BC claims have fallen into this Order and therefore the Company has until December 31, 2021 to register a statement of exploration and development, or register payment instead of exploration and development. In addition, the Minister of Energy and Natural Resources and Minister Responsible for the Côte-Nord Region, Mr. Jonatan Julien, has announced the term suspension of all claims currently in force in Québec for a 12-month period effective immediately on April 9th, 2020. All of the Company's Quebec claims have fallen into this order therefore a period of 12 months have been added to the current expiry date of the Quebec claims.

- *BC Gold Triangle Prospects:*
 - Six mineral claims will expire on December 31, 2021. In order to keep these claims in good standing, the Company is required to incur a minimum of \$29,154 in exploration expenditures on these claims by December 31, 2021 or to pay cash-in-lieu of \$58,308.
 - One mineral claim will expire on March 23, 2022. In order to keep these claims in good standing, the Company is required to incur a minimum of \$4,134 in exploration expenditures on these claims by March 23, 2022 or to pay cash-in-lieu of \$8,267.
- *BC EL North and EL North 3 Nickel-Copper Prospects:*
 - Two mineral claims will expire on December 31, 2021. In order to keep these claims in good standing, the Company is required to incur a minimum of \$2,132 in exploration expenditures on these claims by December 31, 2021 or to pay cash-in-lieu of \$4,264.
- *BC NEBA Copper-Gold Prospects:*
 - One mineral claim will expire on December 31, 2021. In order to keep this claim in good standing, the Company is required to incur a minimum of \$9,710 in exploration expenditures on these claims by December 31, 2021 or to pay cash-in-lieu of \$19,420.
- *BC Safari Copper-Gold Property:*
 - Two mineral claims will expire on December 31, 2021. In order to keep these claims in good standing, the Company is required to incur a minimum of \$18,230 in exploration expenditures on these claims by December 31, 2021 or to pay cash-in-lieu of \$46,051.

- *BC Hammernose Gold Property:*
 - Three mineral claims will expire on December 31, 2021. In order to keep these claims in good standing, the Company is required to incur a minimum of \$11,959 in exploration expenditures on these claims by December 31, 2021 or to pay cash-in-lieu of \$23,918.
 - Three mineral claims will expire on July 29, 2021. In order to keep these claims in good standing, the Company is required to incur a minimum of \$5,618 in exploration expenditures on these claims by July 29, 2021 or to pay cash-in-lieu of \$11,235.
- *ON Cascallen West Gold Project:*
 - 49 mineral claims are in good standing until May 18, 2022. In order to keep these claims in good standing, the Company is required to incur a minimum of \$19,600 in exploration expenditures on these claims by May 18, 2022.
- *ON Case Lake South Cesium Prospect:*
 - 94 mineral claims are in good standing until April 29, 2022 or later. In order to keep these claims in good standing, the Company is required to incur a minimum of \$37,600 in exploration expenditures on these claims by April 29, 2022.
 - 47 mineral claims are in good standing until August 26, 2022. In order to keep these claims in good standing, the Company is required to incur a minimum of \$18,800 in exploration expenditures on these claims by August 26, 2022.
- *ON Escape Lake North PGM Project:*
 - 79 mineral claims are in good standing until May 21, 2022 or later. In order to keep these claims in good standing, the Company is required to incur a minimum of \$31,600 in exploration expenditures on these claims by May 21, 2022.
- *ON River Valley East Platinum-Palladium Prospect:*
 - 97 mineral claims are in good standing until January 24, 2022. In order to keep these claims in good standing, the Company is required to incur a minimum of \$38,800 in exploration expenditures on these claims by January 24, 2022.
- *QC Chibougamau Vanadium Prospects:*
 - After adding a period of 12 months to the current expiry date of each claim due to COVID-19, 59 Vanadium claims are in good standing until August 1, 2022. In order to renew these claims for another two years, the Company is required to incur a minimum of \$70,800 in exploration on these claims by May 31, 2022 or pay it in annual rental income to the Minister of Finance by August 1, 2022. Fees associated with these claims are \$3,909 if paid by May 31, 2022 otherwise the fees will be doubled to \$7,818 if paid between June 1, 2022 and August 1, 2022.
 - After adding a period of 12 months to the current expiry date of each claim due to COVID-19, 54 mineral claims are in good standing until January 8, 2022 or later.

In order to renew these claims for another two years, the Company is required to incur a minimum of \$64,800 in exploration on these claims by November 7, 2021 or pay it in annual rental income to the Minister of Finance by January 8, 2022. Fees associated with these claims are \$3,578 if paid by November 7, 2021 otherwise the fees will be doubled to \$7,155 if paid between November 8, 2021 and January 8, 2022.

- *QC Perron East Gold Prospects:*
 - After adding a period of 12 months to the current expiry date of each claim due to COVID-19, 86 mineral claims are in good standing until January 12, 2023 or later. In order to renew these claims for another two years, the Company is required to incur a minimum of \$96,900 in exploration on these claims by November 11, 2022 or pay it in annual rental income to the Minister of Finance by January 12, 2023. Fees associated with these claims are \$5,405 if paid by November 11, 2022 otherwise the fees will be doubled to \$10,810 if paid between November 12, 2022 and January 12, 2023.
 - Seven mineral claims are in good standing until June 29, 2022. In order to renew these claims for another two years, the Company is required to incur a minimum of \$8,400 in exploration on these claims by April 28, 2022 or pay it in annual rental income to the Minister of Finance by June 29, 2022. Fees associated with these claims are \$464 if paid by April 28, 2022 otherwise the fees will be doubled to \$928 if paid between April 29, 2022 and June 29, 2022.
- *Nevada Elon and McGee Properties:*
 - The Elon claims are in good standing until September 1, 2021. In order to keep these claims in good standing, the Company is required to pay BLM fees of US\$2,310 by September 1, 2021.
 - The McGee claims are in good standing until September 1, 2021. In order to keep these claims in good standing, the Company is required to pay BLM fees of US\$7,260 by September 1, 2021.

See “Nature of Business – Mineral Properties” for a discussion of the Company’s capital expenditure commitments with respect to its mineral properties.

Operating Activities

During the six months ended July 31, 2020, operating activities used \$45,683 in cash. The use of cash for the six months ended July 31, 2020 was mainly attributable to its loss for the period of \$338,208 offset mainly by share-based payments of \$71,114, loss on sale of exploration and evaluation assets of \$170,124 and increased accounts payable and accrued liabilities of \$52,793.

During the six months ended July 31, 2019, operating activities used \$72,444 in cash. The use of cash for the six months ended July 31, 2019 was mainly attributable to its loss for the period of \$289,072 offset mainly by a write-down of exploration and evaluation assets of \$227,683.

Investing Activities

During the six months ended July 31, 2020, investing activities used cash of \$31,359 in exploration and evaluation costs consisting of exploration work performed in BC and staking costs incurred in BC, Ontario and Quebec.

During the six months ended July 31, 2019, investing activities used cash of \$40,878 in exploration and evaluation costs consisting of exploration work performed and staking costs incurred in BC and Quebec.

Financing Activities

During the six months ended July 31, 2020, financing activities provided cash of \$697,177, which was attributable to gross proceeds received for a private placement of \$699,790 and gross proceeds of \$33,300 for 666,000 share purchase warrants exercised at \$0.05 per share, offset by share issue costs of \$35,913.

During the six months ended July 31, 2019, financing activities did not provide or use any cash.

Changes in Accounting Policies including Initial Adoption

The Company has not adopted any new accounting policies during the six months ended July 31, 2020.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Parties Transactions

During the six months ended July 31, 2020, the Company accrued \$15,000 in professional fees payable to Sea Star Consulting Inc., a private company controlled by the Chief Financial Officer, Cindy Cai, in consideration for accounting services provided to the Company.

During the six months ended July 31, 2020, the Company incurred share-based payments of \$64,003 to three directors (James Nelson, Gregory Thomson and Dennis Alderink) and two officers (Seth Kay and Cindy Cai). As a mineral exploration issuer, the Company partially relies on the issuance of stock options to compensate its directors and officers for their time and dedication to the Company.

As at July 31, 2020, amounts due to related parties were \$62,049 (January 31, 2020: \$27,978), which included \$20,000 owing to three directors for unpaid directors' fees, being \$7,500 each payable to James Nelson and Dennis Alderink and \$5,000 payable to Gregory Thomson; \$2,500 payable to a former director, Spencer Smyl; \$19,674 payable to Cruz Cobalt Corp., a public company with common directors for unpaid office expenses; \$1,500 payable to James Nelson for unpaid office expenses; and \$18,375 payable to Sea Star Consulting for unpaid accounting fees. These amounts are unsecured, non-interest bearing and payable on demand.

All transactions with related parties have occurred and are measured at the amount of consideration established and agreed to by the related parties.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Proposed Transactions

Other than as disclosed herein, the Company does not have any proposed transactions as of the date of this report.

Additional Disclosure for Venture Issuers without Significant Revenue

During the six months ended July 31, 2020 and 2019, the Company incurred the following expenses:

	2020	2019
Capitalized acquisition costs	\$17,609	\$4,810
Capitalized exploration costs	\$13,750	\$77,359
Operating expenses	\$168,084	\$78,791
Write-down of exploration and evaluation assets	\$Nil	\$227,683
Loss on sale of exploration and evaluation assets	\$170,124	\$Nil

Please refer to Note 4 in the condensed consolidated interim financial statements for the six months ended July 31, 2020 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

Disclosure of Outstanding Share Data

Common Shares

The Company's common shares are listed on the Canadian Securities Exchange under the symbol "SPMT". The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at July 31, 2020, the Company had 185,695,321 common shares issued and outstanding.

Subsequent to July 31, 2020, the following occurred:

- 2,562,000 share purchase warrants were exercised into common shares at a price of \$0.05 per share; and
- 2,000,000 common shares were issued pursuant to the Goose Gold Property acquisition.

As at September 23, 2020, the Company had 190,257,321 common shares issued and outstanding.

Stock options

As at July 31, 2020, the Company had 16,050,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number		
Outstanding	Exercise Price	Expiry Date
11,000,000	\$0.05	January 20, 2021
3,000,000	\$0.05	May 15, 2021
1,400,000	\$0.05	May 24, 2021
400,000	\$0.05	May 30, 2021
250,000	\$0.05	March 13, 2022
<u>16,050,000</u>		

Subsequent to July 31, 2020, the Company granted 2,000,000 stock options to its directors, officers and consultants at an exercise price of \$0.085 for a period of one year. As of September 23, 2020, the Company had 18,050,000 stock options outstanding and exercisable.

Share Purchase Warrants

As at July 31, 2020, the Company had 54,885,580 share purchase warrants outstanding. Each warrant entitles the holder to right to purchase one common share as follows:

Outstanding	Exercise Price	Expiry Date
15,000,000	\$0.08	January 29, 2021
2,400,000	\$0.05	September 21, 2021
13,834,000	\$0.05	January 17, 2025
<u>23,651,580</u>	\$0.05	July 29, 2025
<u>54,885,580</u>		

Subsequent to July 31, 2020, 2,562,000 share purchase warrants were exercised into common shares at a price of \$0.05 per share. As at September 23, 2020, the Company had 52,323,580 share purchase warrants outstanding.

Risks and Uncertainties

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of the properties may not result in the discovery of any mineral deposits. Any expenditure that the Company may make in the exploration of any other mineral property that the Company may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or

unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful and/or expensive exploration efforts. If the results of the exploration do not reveal viable commercial mineralization, the Company may decide to abandon or sell some or all of the property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that the exploration activities will result in the discovery of any quantities of mineral deposits on the current properties or any other additional properties the Company may acquire.

The Company intends to continue exploration on the current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on the current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on the properties, the Company's ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

Because of the inherent dangers involved in mineral exploration and exploitation, there is a risk that the Company may incur liability or damages as the Company conducts business.

The search for mineral deposits involves numerous hazards. As a result, the Company may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which the Company may elect not to insure. At the present time the Company have no coverage to insure against these hazards. The payment of such liabilities may have a material adverse effect on the Company's financial position.

The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving any return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.

Exploration and exploitation activities are subject to foreign, federal, provincial, and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to foreign, federal, provincial, and local laws and regulations which seek to maintain

health and safety standards by regulating the design and use of drilling methods and equipment. Properties may also be subject to complex Aboriginal claims.

Environmental and other legal standards imposed by foreign, federal, provincial, or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase costs of doing so, which would have material adverse effects on the Company's business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company, especially, foreign laws and regulations. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on business.

Because the Company's property interests may not contain any mineral deposits and because the Company has never made a profit from operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.

The Company's securities must be considered highly speculative, generally because of the nature of its business and the stage of exploration. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this Management's Discussion and Analysis. Accordingly, the Company has not generated any revenues nor has the Company realized a profit from operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on current properties or mineral deposits on any additional properties that the Company may acquire and subsequent development. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of the Company's securities may decline and investors may lose all of their investment in the Company.

As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with its competitors for financing and for qualified managerial and technical employees.

Competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company have. As a result of this competition, the Company may have to compete for financing and be unable to conduct any financing on terms the Company considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the exploration programs may be slowed down or suspended, which may cause operations to cease as a company.

The Company has a history of losses and have a deficit, which raises substantial doubt about its ability to continue as a going concern.

The Company has not generated any revenues during the six months ended July 31, 2020 and 2019. The Company will continue to incur operating expenses without revenues if and until the Company engages in commercial operations. Accumulated loss as of July 31, 2020 was \$4,468,490 since inception. The Company had cash in the amount of \$771,688 as at July 31, 2020. The Company estimates the average monthly operating expenses to be approximately \$20,000 each month. This estimate depends on whether the Company is active or inactive with the work programs. The Company cannot provide assurances that the Company will be able to successfully explore and develop its property interests. These circumstances raise substantial doubt about its ability to continue as a going concern, which was also described in an explanatory paragraph to the independent auditors' report on the Company's audited financial statements, January 31, 2020. If the Company is unable to continue as a going concern, investors will likely lose all of their investments in the Company.

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate any positive cash flow in the future. The Company will require additional financing in order to proceed with the exploration and, if warranted, development of its properties. The Company will also require additional financing for fees the Company must pay to maintain its status in relation to the rights to the properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if the Company is not successful in earning revenues. The Company will also need further financing if the Company decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing as the Company believes that it is sufficiently funded for the current operations but in future the Company expects to raise additional capital as the needs arise. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the Company's directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to the Company's business affairs, which may negatively affect the Company's ability to conduct ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of the Company's officers' other business interests.

RISKS RELATING TO THE COMPANY'S COMMON STOCK

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of operations have been and will be financed through the continued sale of equity securities, a decline in the price of the common stock could be especially detrimental to liquidity and

operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on business plans and operations, including the ability to continue current operations. If the Company's stock price declines, the Company can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue normal operations or become insolvent.

The market price for the Company's common stock may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of its common stock and its operations as a result.

Additional Information

The Company files annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at <http://www.sedar.com>.