



## **MANAGEMENT'S DISCUSSION AND ANALYSIS** **For the financial year ended December 31, 2018**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements and notes thereto for the financial year ended December 31, 2018 of International Corona Capital Corp. (Formerly Rockland Minerals Corp.) (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

### **DATE**

This MD&A is prepared as of March 12, 2019.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. 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 we 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 report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our 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 of precious and base metals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in the province of Quebec regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our 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. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

## **DESCRIPTION OF BUSINESS**

The Company was incorporated under the laws of the province of British Columbia on June 12, 2008. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and has recently focused on the acquisition of interests in, and exploration for, Gold, Copper, Nickel, Platinum Group Metals in the province of Quebec, Canada. The Company completed an initial public offering on June 28, 2010 and began trading on the TSX Venture Exchange (the “Exchange”) under the symbol “RL” on July 2, 2010. For further details, please see the final prospectus of the Company dated March 29, 2010, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company now trades on the TSX Venture Exchange under the symbol “IC”. This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2018 of International Corona Capital Corp. (Formerly Rockland Minerals Corp.) (the “Company”). Such financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The Company currently has two exploration properties consisting of the Retty Lake copper-nickel-PGM property (the “Retty Lake Property”) and the Schefferville Gold Property (the “Schefferville Gold Property”) both located in the Schefferville area of Quebec, Canada, the details of which are set out below. The Company has not yet determined whether its property interests contain reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof. The Company has no immediate exploration plans for the properties and have therefore recorded an impairment of \$430,854 during the year ended December 31, 2017.

On December 20, 2018, the Company entered into a share purchase agreement, whereby the Company will acquire the single issued and outstanding share of Murenbeeld & Co., a subscription business which provides services for the gold industry. The purchase price of \$400,000 will be satisfied by the issuance of common shares in the capital of the Company.

On December 20, 2018, the Company entered into debenture purchase agreements to purchase the debentures of the Stone Investment Group Ltd. in the aggregate principal amount of \$2,097,000. The company has agreed to pay consideration for the debentures in a combination of cash and shares. The company estimates that approximately \$345,000 will be paid in cash consideration and the balance in common shares, however, the allocation between the cash and share portion agreement may vary.

## **EXPLORATION ACTIVITY**

### **RETTY LAKE PROPERTY – SCHEFFERVILLE REGION, QUEBEC, CANADA**

On June 30, 2008, the Company entered into an option agreement, as amended on January 14, 2010 (the “Retty Lake Option Agreement”), between the Company and Ernest D. Black, P. Eng. of Comox, British Columbia, whereby the Company was granted the sole and exclusive right and option to acquire an undivided 100% right, title and interest in all of the mineral claims making up the “Retty Lake Property”. Pursuant to the Retty Lake Option Agreement, the Company had been granted the exclusive right and option to acquire an undivided 100% right, title and interest in and to the Retty Lake Property by issuing 2,000,000 common shares to E.D. Black (issued), and by incurring aggregate cumulative expenditures on the Retty Lake Property of \$1,850,000 by March 31, 2014. On February 12, 2013, International Corona completed its 100% earn-in on the Retty Lake property by issuing Ernest D. Black 1,600,000 common shares and in return Mr. Black waived all remaining exploration work commitments.

The Retty Lake Property is subject to a 3% net smelter return royalty (“NSR”) from the sale of mineral products from the Retty Lake Property following the commencement of commercial production less allowable deductions, to be vested in E.D. Black upon the exercise of the option contemplated in the Retty Lake Option Agreement. The NSR is subject to a buy-back right of the Company to repurchase the NSR for \$3,000,000 and in the event E.D. Black intends to sell all or part of the NSR, the Company has the right to require E.D. Black to sell all or part of the NSR to the Company (the “NSR ROFR”) on the terms and conditions set out in a notice which will be open for acceptance by the Company for a period of 30 days from receipt of the notice.

The Company will be required to raise additional funds in order to keep all the Retty Lake claims in good standing in relation to claim renewal costs required by the MRNF. The Company will add and or drop claims based on geological merit and as financial resources allow.

#### **SCHEFFERVILLE GOLD PROPERTY – SCHEFFERVILLE REGION, QUEBEC, CANADA**

On June 15, 2011, International Corona acquired a 55% interest in the Schefferville Gold Property by completing \$800,000 in exploration work, making cash payments totalling \$60,000 and issuing 600,000 common shares to Western Troy Capital Resources Inc (“Western Troy”) to complete the earn-in. Upon earn-in International Corona and Western Troy Capital Resources Inc formed a joint venture with International Corona having a 55% interest in the property and Western Troy Capital Resources Inc having a 45% interest. As at December 31, 2016, the Company’s participating interest in the Schefferville Gold property is 64% (leaving Western Troy with a 36% interest), based on relative mineral exploration expenditures, by incurring an additional \$375,973 in exploration expenditures.

The option and joint venture agreement with Western Troy states that once a Scoping Study is completed by the parties, International Corona at its sole election may earn an additional 15% interest, to 70%, in the Property (the “Additional Interest”) by solely funding a Bankable Feasibility Study. International Corona must notify Western Troy in writing of its election to exercise its right to earn the Additional Interest before the Bankable Feasibility Study is initiated or Western Troy has provided any funds for such Bankable Feasibility Study. Provided, however, that if Western Troy’s interest in the Joint Venture is 35% or less at the time International Corona notifies Western Troy of such election, International Corona may only earn a maximum of 80% interest in the Property by funding the Bankable Feasibility Study and the Additional Interest earned by International Corona shall be reduced accordingly. Upon receipt of the Bankable Feasibility Study, the joint venture will proceed to fund the project on a pro rata basis and the standard dilution clause will apply.

Upon receipt of a Bankable Feasibility Study, the parties to the joint venture will formally commit to fund mine construction on a pro rata basis, and demonstrate funding to meet such obligation in a timely fashion. If either party is unable to meet its obligation at the construction decision point, such party’s interest in the Property will be diluted in accordance with the dilution formula, and the diluting party will still be required to demonstrate partial funds available, subject to a further dilution as defined in the agreement. If the diluting party is unable to provide funding in order to maintain a 10% or above interest in the joint venture, its interest will then automatically be converted to a 2% NSR Royalty. Western Troy will retain a minimum 2% NSR Royalty in the Property of which 1% can be purchased for \$1,000,000 by International Corona at any time.

Under the Schefferville Gold Property Agreement, the Company is entitled to include in the expenditures charges for management supervision and administrative services of the Company equal to 10% of all expenditures made or incurred by International Corona.

The Company will be required to raise additional funds in order to keep all the Schefferville gold claims in good standing in relation to claim renewal costs required by the MRNF. The Company will add and or drop claims based on geological merit and as financial resources allow.

#### **OVERALL PERFORMANCE**

The Company was incorporated on June 12, 2008 and completed its initial public offering on June 28, 2010 and began trading on the TSX Venture Exchange (the “Exchange”) under the symbol “RL” on July 2, 2010. On January 27, 2017, the Company changed its name to International Corona Capital Corp. and now trades under the symbol “IC”. As an exploration stage company, the Company has not generated revenues to date from its properties and anticipates that it will continue to require equity financing to fund operations until such time as its properties are put into commercial production on a profitable basis. Since incorporation, the Company identified the base metals, primarily Copper and Nickel, and the Precious Metals, including Platinum Group Metals (“PGM’s”) and Gold, sectors as a viable business opportunity to increase shareholder value. During the time since inception, the Company entered into Agreements regarding the Retty Lake Property, Blue Lake Property, Ashuanipi Property and the Schefferville Gold Property. In 2012, the Company cancelled the Ashuanipi Property option agreement. In 2016, the Company cancelled the Blue Lake option agreement. As a result, the Company incurred costs in connection with the acquisition of the projects and exploration programs on the properties. The Company recognized a gain of \$83,752 for the year ended December 31, 2018 compared to a net loss of \$591,784 for the year ended December 31,

2017. Management has proposed a change of business to become a Tier 2 investment issuer on the TSX Venture Exchange, subject to shareholder approval. Management will continue to examine other investments for the Company, which may include industries other than mining exploration. Management may look at options for its Quebec exploration properties which may or may not include progressing them further. Management anticipates that expenses will increase during the foreseeable future as the Company carries out the change of business and conducts due diligence on investments in other industries.

## SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited selected annual information for the years ended December 31, 2018, December 31, 2017 and December 31, 2016:

	<b>Year Ended December 31, 2018</b>	<b>Year Ended December 31, 2017</b>	<b>Year Ended December 31, 2016</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Net Income (Loss)	83,752	(591,784)	(727,457)
Basic and Diluted Earnings (Loss) Per Share	-	0.01	0.01

	<b>As at December 31, 2018</b>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Exploration and Evaluation Assets	2	2	430,856
Total Assets	83,853	111,488	588,046

As a mineral exploration company, the Company has not generated any revenues to date from its properties. The Company recognized a gain of \$83,752 for the year ended December 31, 2018, which included a write-down of \$120,000 of accrued consulting fees. The total expenses before the write-down were \$36,248. The Company incurred a net loss, including impairment of exploration assets, of \$591,784 during the year ended December 31, 2017. The total expenses before impairment of exploration assets were \$160,930. During 2018, 2017 and 2016, mineral exploration costs were significantly low due to the Company not completing any field work programs, which was due to the limited financing activity and overall market conditions in the junior exploration sector. Exploration costs during these three years were costs related to claim maintenance. The Company incurred mineral exploration costs of \$6,348 in 2018, \$1,500 in 2017, and \$27,064 in 2016. Consulting fees during 2016 were \$314,000 due to settlements being issued to former management and directors. Consulting fees were \$120,000 in 2017, which were written-down to \$nil during the year ended December 31, 2018. The Company anticipates that expenses will rise in connection with the Company's proposed change of business, identification of strategic investments, and potential development of its two exploration properties. See the discussion under the headings "Liquidity" and "Capital Resources" for more information.

## RESULTS OF OPERATIONS

### Year ended December 31, 2018

During the year ended December 31, 2018, the Company incurred expenses of \$36,248 compared to \$160,930 during the year ended December 31, 2017. Expenses were primarily accrued consulting fees related to management and directors of \$120,000 during 2017 compared to \$1,377 during the year ended December 31, 2018. The accrued consulting fees of \$120,000 were written-down to \$nil during the year ended December 31, 2018, which offset the expenses, resulting in a gain for the year. Exploration costs during the year ended December 31, 2018 were \$6,348 (2017 - \$nil), transfer agent and filing fees were \$13,716 (2017 - \$13,826), professional fees (accounting and legal) were \$13,716 compared to \$12,975 in 2017. Legal fees associated to the proposed change of business are prepaid and will be expensed upon completion. Investor relation costs were \$nil during 2018 compared to \$943 in 2017, office and miscellaneous costs were \$457 compared to \$2,549 for the year ended December 31, 2017, and travel expenses were \$3,061 (2017 - \$9,137). Loss for the year ended December 31, 2018 before the write-down of \$120,000 was \$36,248. The write-down resulted in the Company recognizing a gain of \$83,752 for the year ended

December 31, 2018. Loss for the year ended December 31, 2017 before impairment of exploration assets was \$160,930 and Net loss for the year was \$591,854.

During the years ended December 31, 2018 and 2017, the Company did not conduct any field exploration programs. The minimal exploration costs consisted of geological consulting and claim maintenance. Exploration costs were \$6,348 for the year ended December 31, 2018 compared to \$1,500 for the year ended December 31, 2017. The Company does not have any exploration planned in the immediate term and has recorded an impairment of \$430,854 in relation to the two Quebec properties during the year ended December 31, 2017.

The Company continues to hold two exploration stage mineral properties consisting of the Retty Lake Property and the Schefferville Gold Property as described under the heading "Description of Business". With respect to the Retty Lake Property, the Company has completed its 100% earn-in and has no further contractual obligations to perform further work on this property. With respect to the Schefferville Gold Property, the Company has a 64% ownership in the Property and has no further contractual obligations to perform further work on this property. The Company has these recorded at an asset value of \$1 each.

### Three-months ended December 31, 2018

During the three-month period ended December 31, 2018, the Company incurred expenses of \$7,088 (2017 - \$123,411), primarily exploration costs related to claim renewals of \$6,348 (2017 - \$750). Transfer agent and filing fees of (\$789) compared to \$1,071 in 2017, and office and miscellaneous costs of \$152 compared to \$27 in 2017. Legal fees incurred for the three-month period ended December 31, 2018 as well as a portion of legal fees throughout the 2018 year were in relation to the Company's proposed change of business and evaluating business opportunities. In relation to change of business, an estimate provided by the legal party of \$34,500 was adjusted to be to be expensed when change of business is complete. Consulting fees of (\$120,000), which was a write-down of the 2017 consulting fees of \$120,000. During the three-month period ended December 31, 2017, the Company wrote-down mineral properties of \$430,854. Net gain for the three-month period ended December 31, 2018 was \$159,023. The net loss for the period ended December 31, 2017 was \$555,498.

### SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Quarter Ended December 31, 2018 \$	Quarter Ended September 30, 2018 \$	Quarter Ended June 30, 2018 \$	Quarter Ended March 31, 2018 \$	Quarter Ended December 31, 2017 \$	Quarter Ended September 30, 2017 \$	Quarter Ended June 30, 2017 \$	Quarter Ended March 31, 2017 \$
	12/31/2018	09/30/2018	06/30/2018	03/31/2018	12/31/2017	09/30/2017	06/30/2017	03/31/2017
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss)	159,023	(15,112)	(49,051)	(11,108)	(555,498)	(1,559)	(23,619)	(11,108)
Loss per share, basic and diluted	0.00	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)

On a quarter-by-quarter basis the loss can fluctuate significantly due to exploration activities during the period, impairment of exploration assets, and the timing of stock option grants.

An analysis of the quarterly results over the last eight quarters ended December 31, 2018, shows a significant change in financial performance for the quarters ended December 31, 2018 and December 31, 2017. There are similar results on a quarter by quarter basis during the other six quarters with general and administrative costs decreasing recently. The results do not fluctuate during these six quarters significantly as the Company did not initiate exploration programs on the properties and therefore did not have significant exploration expenditures. During the quarter ended December 31, 2018, the Company wrote-down \$120,000 in accrued consulting fees, which resulted in the Company recognizing a gain for the period. During the quarter ended December 31, 2017, the Company had incurred a loss due to the impairment of the two Quebec properties of \$430,854. Until the Company conducts a field program, exploration expenditures will be limited to selected claim renewals. General and administration expenditures should increase going forward as management anticipates additional costs related to the proposed change of business and acquisitions.

## **LIQUIDITY**

The Company has not begun commercial production on any of its resource properties and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets. The Company may encounter difficulty sourcing future financing in light of the recent economic downturn.

The Company had cash of \$45,184 at December 31, 2018 and \$109,304 at December 31, 2017, and the Company had working capital of \$38,250 at December 31, 2018 and a working capital deficiency of \$11,002 at December 31, 2017.

The Company completed its last financing on October 28, 2014, issuing 17,000,000 flow-through units at \$0.05 per unit for proceeds of \$850,000, which was recorded as share subscriptions received as at December 31, 2014. Each unit consisted of one flow-through common share and one-half share purchase warrant.

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements. Due to the overall poor market conditions for junior mineral exploration companies, the Company may find it increasingly difficult to raise the funds required to continue the Company's operations. Share prices have undergone significant decreases and any issuance of the Company's equity securities in the near future may result in substantial dilution to the Company's existing shareholders.

## **CAPITAL RESOURCES**

The Company does not have capital commitments in connection with its two exploration properties. The Company holds 100% interests in the Retty Lake Property and is not required to make any further expenditure commitments on this property. All share and cash payments related to the Retty Lake property have been paid in full. The Company has a 64% ownership in the Schefferville Gold Property and has no further contractual obligations to perform further work on this property.

The Company will be required to raise additional funds in order to keep all the claims on the Retty Lake and Schefferville gold properties in good standing in relation to claim renewal costs required by the MRNF. The Company will add and or drop claims based on geological merit and as financial resources allow.

## **Operating Activities**

The Company used net cash of \$64,120 in operating activities during the year ended December 31, 2018 compared to cash provided by operating activities of \$46,644 during the year ended December 31, 2017.

## **Financing Activities**

There are no financing activities to report.

## **Investing Activities**

The Company used cash of \$nil in investing activities during the years ended December 31, 2018 and December 31, 2017.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

## **TRANSACTIONS WITH RELATED PARTIES**

- (a) During the year ended December 31, 2018, the Company accrued \$nil (2017 – \$60,000) in consulting fees to the Chief Executive Officer (“CEO”) of the Company.
- (b) During the year ended December 31, 2018, the Company accrued \$nil (2017 – \$60,000) in consulting fees

to the Chief Financial Officer (“CFO”) of the Company.

- (c) During the year ended December 31, 2018, the Company wrote-down the accrued consulting fees of \$120,000 to \$nil.

## **PROPOSED TRANSACTIONS**

International Corona Capital Corp. has entered into definitive agreements in connection with its proposed change of business to become a Tier 2 investment issuer on the TSX Venture Exchange. The company's initial investments include the acquisition of Murenbeeld & Co. Inc., a gold-focused subscription research business, and the acquisition of certain fixed income debentures in the aggregate principal amount of \$2,097,000. In connection with the change of business, the company also intends to complete a consolidation of its issued and outstanding common shares on the basis of one postconsolidation share for two preconsolidation shares and to raise up to \$1-million pursuant to a non-brokered private placement of postconsolidation common shares. Following completion of the change of business, the company will operate as a merchant bank with initial assets consisting of the company's mineral exploration properties, Murenbeeld and the debentures, and will continue to pursue investment opportunities in accordance with its investment policies.

## **SUBSEQUENT EVENTS**

There are no subsequent events as at the date of this MD&A.

## **ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2018, and have not been applied in preparing these financial statements.

New standard IFRS 16, “Leases” (January 1, 2019)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

## **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

During the years ended December 31, 2018 and 2017, the Company incurred the following expenses:

	<b>Year Ended December 31, 2018</b>	<b>Year Ended December 31, 2017</b>
Exploration costs	\$6,348	\$1,500
General and administrative costs	\$64,400	\$159,430

An analysis of material components of the Company's general and administrative expenses is disclosed in the audited financial statements for the year ended December 31, 2018 to which this MD&A relates. An analysis of the material components of the mineral property acquisition costs and mineral exploration costs are disclosed in the notes to the audited financial statements for the year ended December 31, 2018 to which this MD&A relates.

The Company had two exploration properties during the year ended December 31, 2018, the Retty Lake Property (100%) and the Schefferville Gold Property (64%). The Company has 100% interest in the Retty Lake property. The Company has a 64% interest in the Schefferville Gold Property with its joint venture partner Western Troy Capital Resources Inc (“Western Troy”) who holds a 36% interest. Western Troy will retain a minimum 2% NSR Royalty in the Property of which 1% can be purchased for \$1,000,000 by International Corona at any time.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

### **Common Shares**

The Company’s common shares are listed on the TSX Venture Exchange under the symbol “IC”. The Company’s authorized share capital consists of an unlimited number of common shares without par value. As at March 12, 2019 the Company had 68,504,461 common shares issued and outstanding.

### **Share Purchase Warrants**

As at March 12, 2019, there were no share purchase warrants were outstanding.

### **Stock Options**

The Company had 300,000 stock options outstanding as at December 31, 2018 which had the following characteristics:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
300,000	\$0.06	August 11, 2019

As at March 12, 2019, the Company had no agent’s options outstanding.

## **RISK FACTORS**

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company’s business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company’s current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

### **Risks Related to the Company’s Business**

*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 its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of



any other mineral property that it 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 exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

#### *Loss of Interest in Properties*

The Company's ability to maintain an interest in the properties optioned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties optioned by the Company, including the Qualifying Property.

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

The Company intends at this time to continue exploration on its 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 its 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 its properties, its 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.

*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 explores 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 an adequate 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 federal, provincial, state 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 federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its 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. 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 its business.

*Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.*

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has either staked property or entered into property option agreements or joint venture agreements on its existing Project interests, the Company cannot give an assurance that title to such property will not be challenged or impugned. Further, the Company cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

*Because the Company's property interests may not contain mineral deposits and because it has never made a profit from its 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 its stage of operations. 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 report. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its 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 the Company's current properties or mineral deposits on any additional properties that the Company may acquire. 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 its 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 its 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 the Company's competitors for financing and for qualified managerial and technical employees.*

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms it 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 Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a 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 positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees it must pay to maintain its status in relation to the rights to the Company's 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 it is not successful in earning revenues. The Company will also need further financing if it decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. 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 directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its 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 its 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 its 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 the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company 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 its normal operations.

### **ADDITIONAL INFORMATION**

Additional information about the Company is available on SEDAR at <http://www.sedar.com>.

### **BOARD APPROVAL**

The board of directors of the Company has approved this MD&A.