2019

LITHIUM ENERGY PRODUCTS INC.

REPORT TO SHAREHOLDERS - MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED 30 JUNE 2019

STATED IN CANADIAN DOLLARS

THIS REPORT PROVIDES A MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2019

08/28/2019

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

TO OUR SHAREHOLDERS

This Management Discussion and Analysis ("MD&A") supplements - but does not form part of – the Condensed Interim Consolidated Financial Statements for the period ended 30 June 2019. Consequently, the following discussion and analysis of the financial condition and results of operations for Lithium Energy Products Inc. ("LEP" or the "Company"), should be read in conjunction with the Condensed Interim Consolidated Financial Statements for the nine and three months ended 30 June 2019, and the related notes therein, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), consistently applied.

Discussion of the Company, its operations and associated risks are further described in the Company's filings, available for viewing at www.sedar.com. A copy of this MD&A will be provided to any applicant upon request.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's filings and herein. Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com.

The table below sets forth the significant forward-looking information included in this MD&A:

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	LEP has the resources to fund their ongoing operations and the ability to raise funds for further operations exceeding current resources.	LEP has disclosed that this may be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern.
Proving LEP deposits' economic viability.	Deposits are either economically viable or LEP can obtain new sources of lithium for exploitation, trading or offtake agreements.	Lack of information to assess corporate and mining strategy for the existing assets.
Proving LEP deposits' process ability.	LEP deposit compositions are favourable towards economically recovering lithium.	Lack of information to assess asset grade.
LEP intends to acquire further properties to expand their mining and supply operations.	Properties demonstrating economic potential and have existing supportive infrastructure can be located and acquired.	Prospective acquisitions do not demonstrate sufficient potential and viability to justify acquisition.
LEP intends to enter into MOUs with several customers to ensure a customer base exists for LEP products.	Potential customers are willing to commit to mineral acquisition from LEP prior to exploration completion and exploitation.	Potential LEP customers may overstate the quantities they intend to purchase as they are currently predictive.
LEP intends to explore non-conventional methods of obtaining lithium external to conventional mining sources	Economic amounts of lithium are recoverable from non-conventional sources and extractive technologies exist and are sufficient to obtain the lithium	LEP investigative and research expenditure might conclude that there is no economic benefit and be unable to recoup expenditure.
LEP intends to arrange financing for the development of its current properties	The company and its properties can prove economic potential and attract investment.	LEP is unable to attract investment and must investigate alternate strategies.
LEP intends to acquire operational projects to improve its cashflow	The company will have the resources and/or means to acquire such projects.	LEP is unable to acquire the necessary investment and must investigate alternate strategies.

LEP intends to investigate and determine the most suitable technology and mining practices for its projects.	The company has the expertise and connections to reasonably inform their decision-making processes.	Being unable to locate the most suitable technology and practises and running a sub-optimal operation.
LEP intends to increase its shareholding of certain projects and develop them towards production.	The company assumes it will be able to increase its position.	Market receptiveness to investment in the projects, and the availability of purchasing a greater position.

FUTURE OUTLOOK

LEP is currently completing the purchase of 100% of an operational fluorite mine in Utah. The company is exploring alternative means of financing and familiarising itself with the targeted industry and the equipment necessary to be sourced to ensure the project's success.

LEP intends to upgrade and increase the heavy equipment at the mine site, as well as construct drifts which allow the Company to exploit the fluorite resources available more fully.

LEP is also examining diversifying its portfolio with gold projects close to production, to ensure the company has more strength in depth.

LEP intends to drill and sample the highly concentrated brines located using the electro-magnetic analysis results on the Jackpot Lake property. The drilling and sampling program will determine the mineralogy of the brine and help to determine LEP's strategic direction for the Jackpot Lake project.

LEP is exploring alternative sources of lithium through non-traditional sources. If proven economically viable these prospects will present LEP with a readily available supply of lithium that will provide an income stream almost immediately and in enormous supply.

LEP will retain its Griffith iron ore mine until the project can be commenced with profitable returns. The iron ore spot price is currently increasing and when suitable LEP will approach its prospective industry partners in North America to provide expertise and capital to advance the project. LEP is also undertaking an investigation to ascertain whether the Griffith Mine's quarried rock can be sold to produce an income stream for LEP.

LEP intends to acquire operational mining or quarry projects, which are able to create a cashflow for the company, and help the Company finance its exploration ambitions.

LEP intends to reacquire 100% of the Vanadium Ridge project and carry out an exploration and drill program on the project to produce a Resource Estimate.

GENERAL

LEP – formerly Northern Iron Corp - is a publicly traded junior mining company whose principal business is identifying the most promising mineral deposits to purchase, progress and exploit. Currently, the Company is focusing on progressing its lithium projects towards exploitation, production and supplying lithium to the markets. LEP acquired 3 highly prospective lithium properties in Nevada and Arizona in August 2016. The decision to acquire these sites was based on grade, accessibility and serviceability. The company examined other sites in South America and the U.S. but decided against these because of inaccessibility, uncertain political climates and poor local infrastructure

LEP's projects are in their exploration stages, and LEP has the financial resources available to undertake the technical work to further progress the lithium projects. At LEP's disposal are geologists, geophysicists, mining engineers and market experts that are responsible for developing the project towards production. Once this work is underway - and a greater appreciation of the deposits has been obtained - the company intends to seek partnership and further investment to advance the deposit towards exploitation.

The business is managed by specialist staff and experts with diverse experience across the entire mineral resource industry. LEP is listed on the TSX Venture Exchange and commenced trading on 26 August 2011.

During the nine months ended 30 June 2019, the Company set up a wholly-owned subsidiary in the United States named Lithium Energy Products USA.

On 1 April 2019, the Company completed its acquisition of American Strategic Minerals Inc. ("ASM") by way of a three-cornered amalgamation among LEP, ASM and 1200944 B.C. Ltd., a wholly-owned subsidiary of LEP formed for the purpose of completing the amalgamation. In connection with the acquisition and amalgamation transaction, the amalgamated entity is a wholly-owned subsidiary of the Company.

Although the former shareholders of ASM will own approximately 51% of the outstanding shares of the combined entity as a result of the transaction, pertinent facts and circumstances confirmed that LEP is the acquirer in the transaction.

In accordance with IFRS 3, the transaction constitutes a business combination since LEP meets the definition of a business under IFRS 3. As a result, the transaction is accounted for with LEP being identified as the acquirer (legal parent) and ASM being the acquiree (legal subsidiary) with the transaction being measured at the fair value of the equity consideration issued to ASM. The resulting consolidated financial statements are presented as a continuance of LEP.

SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

The Company has entered into a definitive amalgamation agreement dated effective 1 April 2019 with American Strategic Minerals Inc. (“ASM”), an arm’s length British Columbia-based company engaged in an active fluorspar mining operation in Utah, pursuant to which LEP has agreed to acquire all of the shares of ASM by way of a three-cornered amalgamation between LEP, ASM and a wholly-owned subsidiary of LEP formed for the purpose of completing the amalgamation. Pursuant to the terms of the Amalgamation Agreement, the shareholders of ASM will receive one common share of LEP and one-half warrant at an exercise price of $0.16 for each two shares of ASM. In connection with the completion of the Transaction, LEP intends to change its name to “Ares Mining” or such other name as may be agreed by the parties.

The Company completed the 100% purchase of both its Jackpot Lake and Willcox Playa projects. The Company established a US subsidiary in which to place these projects.

In order to conclude this transaction, the Company completed an NI 43-101 on its Lost Sheep fluorspar project The stock will remain halted until the Company has sufficient funding to demonstrate an ability to put the mine into production.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

The comprehensive loss reported during the nine months ended 30 June 2019 was $215,392 compared to comprehensive loss of $138,022 in the comparative period. The main fluctuations in costs are as follows:

Management fees (rounded to the nearest '000)	**9 months** **2019**	9 months 2018	**3 months** **2019**	3 months 2018
	$ 116,000	$ 197,000	**$ 44,000**	$ 74,000
Variance increase	**$ (81,000)**		**$ (30,000)**	

During the nine months ended 30 June 2019, the Company's management fees decreased due to reorganization efforts designed to preserve cash and reduce overhead.

Recovery of mineral properties (rounded to the nearest '000)	**9 months** **2019**	9 months 2018	**3 months** **2019**	3 months 2018
	$ -	$ 637,397	**$ -**	$ -
Variance decrease	**$ (637,397)**		**$ -**	

During the nine months ended 30 June 2018, the Company paid the outstanding payments through issuance of shares and has accordingly reversed the prior year's impairment losses of $637,397.

Professional fees (rounded to the nearest '000)	**9 months** **2019**	9 months 2018	**3 months** **2019**	3 months 2018
	$ 185,000	$ 37,000	**$ 68,000**	$ 22,000
Variance increase	**$ 148,000**		**$ 46,000**	

The increase in professional fees relates to efforts in finalizing the definitive amalgamation agreement dated effective 1 April 2019 with American Strategic Minerals Inc. ("ASM").

SUMMARY OF QUARTERLY RESULTS

Three months ended	**Jun-19**	**Mar-19**	**Dec-18**	**Sep-18**	**Jun-18**	**Mar-18**	**Dec-17**	**Sep-17**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Total revenue	**-**	-	-	-	-	-	-	-
Profit (loss) for the period	**57,106**	(152,950)	(119,257)	(874,255)	(596,707)	548,477	(88,983)	(1,111,683)
Profit (loss) per share	**(0.00)**	(0.01)	(0.01)	(0.10)	(0.03)	0.06	(0.00)	(0.00)
Total assets	**4,364,307**	2,320,992	2,117,153	2,237,901	1,466,553	1,463,718	684,454	769,658
Working capital surplus (deficiency)	**(689,000)**	(427,000)	(144,000)	(24,000)	(169,000)	(2,000)	87,000	177,000

During year ended 30 September 2017, the Company recognized impairment on the exploration properties in Canada, and USA. One of the exploration properties were later recovered during the year ended 30 September 2018. This resulted in a significant fluctuation in total assets and a simultaneous increase in loss for those periods.

EXPLORATION AND EVALUATION ASSETS

The following table summarizes exploration and evaluation assets:

EXPLORATION AND EVALUATION ASSETS	Lost Sheep	Vanadium Ridge	Jackpot Lake	Willcox Playa	Ontario Properties	Total
ACQUISITION						
Balance as at 1 October 2017	$ -	$ -	$ 1	$ 446,878	$ 4	$ 446,883
Additions	-	1,560,000	317,560	153,710	-	2,031,270
Dispositions	-	(1,248,000)	-	-	-	(1,248,000)
Recovery	-	-	637,397	-	-	637,397
Balance as at 30 September 2018	**$ -**	**$ 312,000**	**$ 954,958**	**$ 600,588**	**$ 4**	**$ 1,867,550**
Additions	**1,858,892**	**-**	**205,000**	**-**	**-**	**2,063,896**
Balance as at 30 June 2019	**$ 1,858,892**	**$ 312,000**	**$ 1,159,958**	**$ 600,588**	**$ 4**	**$ 3,931,442**
EXPLORATION EXPENDITURES						
Balance as at 1 October 2017	$ -	$ -	$ -	$ 20,354	$ -	$ 20,354
Additions	-	-	-	22,950	-	22,950
Balance as at 30 September 2018	**$ -**	**$ -**	**$ -**	**$ 43,304**	**$ -**	**$ 43,304**
Additions	**11,489**	-	**52,825**	**14,218**	-	**78,532**
Balance as at 30 June 2019	**$ 11,489**	**$ -**	**$ 52,825**	**$ 57,522**	**$ -**	**$ 121,836**
CARRYING AMOUNTS						
Balance as at 30 September 2018	**$ -**	**$ 312,000**	**$ 954,958**	**$ 643,892**	**$ 4**	**$ 1,910,854**
Balance as at 30 June 2019	**$ 1,870,381**	**$ 312,000**	**$ 1,212,783**	**$ 658,110**	**$ 4**	**$ 4,053,278**

Acquisition costs represent shares or cash paid to acquire the rights to the resource property, while exploration expenditures represent amounts paid to explore and develop the resource properties. The Company holds outright five contiguous mineral properties located in the Red Lake Mining Division, Ontario, Canada.

OUTSTANDING SHARES

As at 30 June 2019 and as at the date of this report, the Company had 13,563,375 common shares issued and outstanding. The fully diluted amount of 15,223,375 includes options of 160,000 and warrants of 1,500,000.

FINANCIAL POSITION AND LIQUIDITY

As at 30 June 2019, the Company’s financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

The following discussion relates to the nine months ended 30 June 2019 and compares that to the same period in fiscal 2018.

As at 30 June 2019, the Company had a working capital deficit of $689,000 compared to a working capital deficit of $427,000 as at 31 March 2019.

Cash provided in operating activities during the nine months ended 30 June 2019 totalled $1,864,835 (31 March 2019: $83,417). This is consistent with management expectations.

Cash used in investing activities during the nine months ended 30 June 2019 totalled $1,848,925 (31 March 2019: $95,498).

Cash raised in financing activities during the nine months ended 30 June 2019 totalled $36,521 (31 March 2019: $50,000).

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the condensed interim consolidated statement of financial position are carried at amortized cost. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 30 June 2019 and 30 September 2018. There have been no changes in levels during the period.

The Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, amounts receivable, and accounts payable and accrued liabilities. As at 30 June 2019 and 30 September 2018, the carrying value of cash is at fair value. Amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada, accordingly the Company believes it not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk. As at 30 June 2019, the Company held currency totalling the following:

CURRENCY		**30 June 2019**		30 September 2018
Canadian (Dollars)	**$**	**54,777**	$	1,884
US (Dollars)	**$**	**7**	$	364

g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at 30 June 2019, the Company had a cash balance of $54,787 to settle current liabilities of $791,835 that are due within one year. The Company is exposed to a significant liquidity risk as there is a shortfall in the cash balance to settle any immediate current liabilities that may fall due.

h) Marketable securities risk

Marketable securities risk is the sensitivity of the fair value of marketable securities to supply and demand for marketable securities. The Company manages this risk by continually monitoring the market pricing and trends of its portfolio of securities to determine the appropriate timing to complete any acquisition or dispositions. The Company has determined that there are minimal marketable securities risk as at 30 June 2019 due to the fact that the Company has disposed of all marketable securities and holds 500,000 warrants of Rover Metals Corp with fair value of $1,332.

CAPITAL RESOURCES

LEP has no recent history of profitable operations. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of adequate revenues.

It will be necessary for LEP to arrange for additional financing to meet its on-going exploration and overhead requirements.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. Although LEP successfully completed financing during the year ended 30 September 2017, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

CAPITAL MANAGEMENT

The Company's capital consists of cash and shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing, selling assets and incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at 30 June 2019 and as at the date hereof.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Transactions and balances with related parties not disclosed elsewhere in the Financial Statements are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position	Period[(i)]	Remuneration or fees[(ii)]	Amounts Payable and Accrued Liabilities	Prepaid expenses
Basil Botha, President and Director	**2019**	**$ -**	**$ 4,517**	**$ -**
	2018	$ 33,200	$ 9,573	$ -
Alpha Resources, Rent	**2019**	**$ 8,482**	**$ 49,867**	**$ -**
	2018	$ -	$ -	$ -
Clearline CPA	**2019**	**$ 12,000**	**$ 27,597**	**$ -**
– a company of which the former CFO was a partner	2018	$ 46,203	$ 12,600	$ -
Michael Hepworth	**2019**	**$ 250**	**$ -**	**$ -**
VP Corporate Development and Director	2018	$ -	$ 394	$ -
Paul Serjeant, Director	**2019**	**$ 1,250**	**$ 1,287**	**$ -**
	2018	$ -	$ -	$ -
James Walker, CEO	**2019**	**$ 72,000**	**$ 88,100**	**$ 4,200**
	2018	$ 72,000	$ -	$ 14,700
Michael Li, Director	**2019**	**$ 750**	**$ 750**	**$ -**
	2018	$ -	$ -	$ -
Viktoriya Griffin, CFO, other fees	**2019**	**$ 6,750**	**$ -**	**$ -**
	2018	$ -	$ -	$ -
Viktoriya Griffin, CFO, Management fees	**2019**	**$ 21,419**	**$ 17,588**	**$ -**
	2018	$ -	$ -	$ -
Alberto Hassan, Former director[(iii)]	**2019**	**$ 1,250**	**$ 3,750**	**$ 2,500**
	2018	$ -	$ -	$ -
Karl Mared, Director	**2019**	**$ -**	**$ 100,225**	**$ -**
	2018	$ -	$ -	$ -

(i) For the nine months ended 30 June 2019 and 2018.
(ii) Amounts disclosed were paid or accrued to the related party.
(iii) Resigned during the nine months period ended 30 June 2019.

These transactions were in the normal course of operations, which is the amount of consideration established and agreed to by the related parties.

INVESTOR RELATIONS ACTIVITIES

With respect to public relations, the Company's policy is to provide information from its corporate offices to investors and brokers directly.

MANAGEMENT

LEP is dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of LEP could result, and other persons would be required to manage and operate the Company.

RISK FACTORS

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company:

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

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

At present the principal activity of the Company is the exploration and development of lithium resource properties. The feasible development of such properties is highly dependent upon the price of lithium commodities. A sustained and substantial decline in these commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors that could affect these commodity prices in order to assess the feasibility of its resource projects.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in the Management Discussion and Analysis.

A CAUTIONARY TALE

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted on behalf of the Board of Directors,

"James Walker"

James Walker

CEO