CAT STRATEGIC METALS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nine Months Ended September 30, 2019

NOTE TO READERS

The following is management's discussion in respect of the results of operations and financial position of Chimata Gold Corp. (the "Company" or "Chimata"), for the three and nine months ended September 30, 2019 and should be read in conjunction with the Company's audited financial statements for the same period. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars. Additional information, including the above mentioned financial statements, which contain extensive disclosure of the history and properties of the Company are available on SEDAR and may be accessed at www.sedar.com.

FORWARD LOOKING STATEMENT

The information presented in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws.

Such forward–looking statements, including but not limited to those with respect to the price of metals, the timing and amount of estimated future mineralization and economic viability of properties, capital expenditures, costs and timing of exploration projects, permitting timelines, title to properties, the timing and possible outcome of pending exploration projects and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors such as general economic and business conditions, change in foreign currency exchange rates, and other factors, which 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. Since forward looking statements address future events and conditions, by their nature, they involve inherent risks and uncertainties. Readers should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.

These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not intend nor do we undertake any obligation to update or revise any forward-looking statements whether written or oral that may be made by or on the Company's behalf should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by securities law. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forwarding looking statements	***Assumptions***	***Risk factors***
Management intends to further eliminate the working capital deficiency and to finance its operating costs with loans from related parties and or private placement of common shares.	*Based on the past history of the Company, the Company was able to raise funds when needed through either private placement or debt financing*	*Change in interest rate, support by related parties, change in condition of capital market*

DATE OF REPORT

The information in this report is presented as of November 28, 2019.

ABOUT CAT STRATEGIC METALS CORPORATION (FORMERLY CHIMATA GOLD CORP.)

CAT Strategic Metals Corporation (formerly Chimata Gold Corp.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 16, 2010. The common shares of the Company began trading on TSX Venture Exchange ("TSXV") on September 16, 2011 under the symbol "CAT", and on the Frankfurt Exchange on July 29, 2014 under the symbol "8CH". Effective June 14, 2018, the Company's shares were transferred from TSXV to the Canadian Securities Exchange ("CSE") under the symbol "CAT". The decision to move the listing of its common shares from the TSXV to the CSE was taken by the Company as it deems that the CSE may be a more suitable stock exchange with respect to its development and its future expansion. Effective May 1, 2019, the Company's shares were halted for trading due to corporate reorganization. The Company's principal activity is the acquisition and exploration of mineral properties.

CORPORATE OVERVIEW AND OVERALL PERFORMANCE

Business Update

a) Zimbabwe Lithium Company (Mauritius) Limited

On February 14, 2018, the Company approved a binding Letter of Intent with Zimbabwe Lithium Company (Mauritius) Limited ("Zimbabwe Lithium", or "ZIM"), a privately held company incorporated under the laws of Mauritius. Pursuant to the terms of the LOI, Chimata will subscribe to the share capital of ZIM for an initial subscription of 19% of ZIM's share capital in exchange for the allocation by Chimata of an amount of shares representing 19% of its then issued and outstanding share capital to ZIM, such amount being calculated post-closing of the Concurrent Financing, as defined below, with right to further acquire the remaining issued and outstanding share capital of ZIM upon the fulfilling of certain terms and conditions as set out in the LOI, the whole resulting in ZIM becoming a subsidiary of Chimata (the "Transaction"). ZIM will be focused on developing lithium mining properties and assets located in Zimbabwe (the "Assets") held by ZIM and related companies wholly owned by ZIM's principals, one of which having recently signed a joint-venture agreement with the Zimbabwe Mining Development Corporation ("ZDMC") with respect to the grant of exclusive development rights for the Kamativi lithium tailings deposit at the Kamativi Tin mine, Matabeleland North Province, Zimbabwe. This tailings stockpile has been surveyed to give an estimated 23,168,000 metric tonnes of historical tailings material on surface.

First Amendment to LOI with Zimbabwe Lithium Project

On May 30, 2018, the Company and ZIM entered into the first amendment of the LOI (Note 4 (a)). The key amendments are summarized as follows: (i) U$ 99,905 the remaining balance of the U$ 500,000 advance from the Company to ZIM is required to be made within five business days from May 30th, 2018. Upon completion of the U$ 99,905 advance, Phase I is deemed to be completed with the exception of the concurrent financing and both ZIM and the Company will enter into Phase II; (ii) The Company will work towards the completion of the Concurrent Financing, to a maximum of \$2,000,000 and to a minimum of \$1,800,000 whereby \$800,000 to be raised by the Company no later than July 30th, 2018 or two weeks from the date of completion and publication of the Estimate (Note 4(a)) whichever is the latter, and the remaining balance of \$1,000,000 to be raised by the Company no later than (a) August 30, 2018 or (b) six weeks from the date of completion and publication of the Estimate (Note 4(a)) whichever is the latter, and (iii)The Closing of the Definitive Agreement shall be completed no later than September 30, 2018.

On October 17, 2018, Chimata has entered into a definitive share exchange agreement (the "**Agreement**") with ZIM. As per the terms of the Agreement, Chimata shall, pursuant to the first phase of the contemplated transaction, issue to ZIM shareholders an amount of 9,185,039 common shares from its share capital, representing an aggregate of nineteen percent (19%) of the current issued and outstanding share capital of Chimata, and in return, ZIM shall issue to Chimata 755 ZIM shares, representing an aggregate of nineteen percent (19%) of the current issued and outstanding share capital of ZIM.

On October 31, 2018, pursuant to a definitive share exchange agreement (the "**Agreement**") with the existing shareholders of ZIM, CAT issued to ZIM shareholders an amount of 9,185,040 common shares from its share capital, representing an aggregate of nineteen percent (19%) of the current issued and outstanding share capital of Chimata. In return, ZIM issued to Chimata 755 ZIM shares, representing an aggregate of nineteen percent (19%) of the current issued and outstanding share capital of ZIM.

The second phase of the contemplated transaction has been triggered with the production of the Resource Estimate by ZIM in respect of the Kamativi Tailings (the "**Resource Estimate**") published on September 20th, 2018. The results of this Resource Estimate in combination with the financing referenced below will determine the ultimate resulting shareholding of ZIM shareholders in Chimata which will be between 70 and 80 %. Concurrently, the second phase of the transaction will result in ZIM becoming a wholly owned subsidiary of Chimata and Chimata will then be entitled, through the joint venture entity, to the exclusive development rights for the Kamativi Tailings.

On January 9, 2019, the Company announced the signing of a Term Sheet between Transamine Trading S.A. ("Transamine") and the Kamativi Tailings Company (Pvt) Ltd ("KTC") for a USD $9,500,000 finance and off-take facility for concentrate produced from the Kamativi Tailings Lithium Project (the "Project"). The key terms are as follows:

USD $9,500,000 Million debt funding will be provided as a lump sum payment on completion of the relevant condition's precedent by each of Transamine and KTC.

The tenor of the facility is in line with the construction project plan and allows sufficient time for repayment from free cash. The use of proceeds of the financing facility will be put toward the construction of the Phase 1 Processing Plant to be constructed for the Project and working capital. KTC will produce a +6% Li2O Spodumene concentrate to be sold to Transamine. Transamine will have the right to 150,000 tonnes of Concentrate produced from the Phase 1 Processing Plant. Commercial terms shall be agreed in line with the international market terms for +6% Li2O Spodumene concentrate.

On June 28, 2019, ZIM terminated the proposed reverse take-over transaction with the Company.

b) Troilus North

On October 12, 2017, the Company acquired a 100% undivided interest in the Troilus North Property. The property is made up of 139 contiguous claims totaling 7,502.6 hectares located 160 km north of the town of Chibougamau in the province of Quebec.

The total purchase price is two hundred and fifty thousand dollars ($250,000) with an initial payment of $25,000 due to the Vendor upon closing, $25,000 due within ninety (90) days following signing of the Agreement, $50,000 due on or before September 30, 2018, $50,000 due on or before March 31, 2019, $50,000 due on or before September 30, 2019, and $50,000 due on or before March 31, 2020. In addition, the Company has granted a 1.5% Net Smelter Royalty to the Vendor; 0.5% of which can be repurchased by the Company for $500,000.

On May 14, 2018, the Company received regulatory approval from the TSX Venture Exchange concluding the acquisition of a 100% undivided interest in the Troilus North Property.

On November 15, 2018 the Company announced since optioning the Troilus North Property to Emgold Mining Corporation ("Emgold") in June 2018, Emgold had completed the C$300,000 requirement in exploration expenditures on the Troilus North Property and had elected to move forward with acquisition of 100% ownership of the Property by accelerating the exercise of the First Option and Second Options together. As such, Emgold closed the 100% acquisition of the Property by completing the remaining requirements of the Definitive Agreement and Amendment, which required Emgold to issue 4.0 million additional common shares, make a cash payment of $200,000 and grant a 1.0% NSR on the Property to the Company. As at the date of this MD&A, Emgold advanced a total of $185,500 payment out of the $200,000 cash payment requirement to the Company. Following closing of the transaction, the Company held 6.0 million Common Shares of the Company out of 30,968,805 Common Shares issued and outstanding, representing 19.4% of Emgold's issued and outstanding share capital. The transaction described between the Company and Emgold was not a non-arm's length transaction as the Company's Chief Financial Officer, who is also acting as director of Emgold.

As of the date of this MD&A, the Company had sold all its Emgold shares.

c) BAM

On December 1, 2017, the Company acquired a 100% interest in the Bam mineral property. The property is comprised of 1052 hectares located in the Pacific Golden Triangle mining district approximately 80 Km south of Telegraph Creek in the Liard mining division of northwest British Columbia, Canada.

Under the terms of the purchase agreement, the Company will pay $60,000 cash and issue six hundred thousand common shares to Bearclaw . The initial $15,000 cash payment was provided to Bearclaw and six hundred thousand common shares issued to Bearclaw on Nov 16, 2017 with a fair value of $54,000 based on closing share price at $0.09/share. The claims comprising the mineral property have been transferred to the Company. The balance of the cash payments will be provided in three equal installments of $15,000 over a twelve-month period. Bearclaw will retain a 2% Net Smelter Royalty on the property, of which 1% may be purchased by the Company for $1,000,000 at any time.

Financing

On October 28, 2016, the Company completed a private placement by issuing 12,500,000 units for gross proceeds of $250,000. Each unit is comprised on one common share at $0.02 and one share purchase warrant exercisable into one common share of the Company at $0.05 per share, and expiring 5 years after issuance. The value allocated to the warrants was $62,500 using the residual method of value assignment to these warrants.

On September 11, 2017 the company completed a non-brokered private placement for 15,851,636 units for gross proceeds of $871,840. Each unit consisted of one common share and one common share purchase warrant, with each share purchase warrant exercisable into one common shares at $0.075 per warrant for a period of 36 months.

On December 1, 2017, the company completed a non-brokered private placement for 5,591,500 units for gross proceeds of $559,150. Each unit consisted of one common share and one common share purchase warrant, with each share purchase warrant exercisable into one common shares at $0.15 per warrant for a period of 36 months.

On December 22, 2017, the company completed a non-brokered private placement for 1,416,000 units for gross proceeds of $212,400. Each unit consisted of one common share and half common share purchase warrant, with each share purchase warrant exercisable into one common shares at $0.25 per warrant for a period of 36 months.

On March 23, 2018, the Company issued 1,303,334 units of the Company for gross proceeds of $195,000. Each unit consists of one common share and one half warrant. Each whole warrant shall entitle the holder thereof to acquire one additional common share at a price of $0.25 per common share for a period of 12 months from the date of issuance.

On October 31, 2018, the Company issued 2,000,000 units of the Company for consulting fees rendered with a value of $200,000. Each unit consists of one common share and one warrant. Each warrant shall entitle the holder thereof to acquire one additional common share at a price of $0.20 per common share for a period of 24 months from the date of issuance. These shares were cancelled and returned to treasury subsequent to year-end.

On October 31, 2018, the company issued 9,185,040 common shares for the acquisition of 19% of the outstanding common shares of ZIM (Note 6).

During the year December 31, 2018, the Company issued 4,145,000 common shares for the exercise of warrants for proceeds of $310,875.

During the year ended December 31, 2018, the Company incurred $20,165 as share issuance costs for legal fees incurred.

On February 19, 2019, the Company closed the first tranche of its ongoing private placement for gross proceeds of $175,000 by the issuance of 3,500,000 units of the Company (each a "Unit"), each Unit being comprised of one common share of the Company and one half of one common share purchase warrant (each a "Warrant"), each whole Warrant entitling its holder to purchase an additional common share at a price of $0.10 per common share for a period of 18 months from the date of issuance.

The proceeds from the Private Placement will be used by the Corporation to finance its contemplated transaction with Zimbabwe Lithium Company Limited ("ZIM"), with respect to the exploration and exploitation of lithium properties located in Zimbabwe, and for general working capital purposes.

Following is the selected annual information of the Company for the last three years:

	2018 $	2017 $	2016 $
Revenue	--	--	--
Operating Expenses	1,358,905	1,046,674	79,897
Net loss	575,723	1,051,822	84,541
Total assets	2,253,046	1,152,890	28,205
Total long-term liabilities	--	150,000	--
Net loss per share (basic and diluted)	$ 0.01	$ 0.07	$ 0.00

Fiscal 2016 losses were consistent and maintained at care and maintenance level due to the downturn of the mining industry.

The change of board and management team and successful completion of fund raising to advance the mineral exploration project in the third quarter of fiscal 2017 created the need to incur significant higher consulting fees comparing to fiscal 2016. The losses in fiscal 2017 were further increase due to the recognition of stock-based compensation related to the grant of 3 million stock options in the last quarters of fiscal 2017.

The decrease of losses incurred in fiscal 2018 versus fiscal 2017 was due to recognition of a gain of $755,000 on disposition of Troilus North property to Emgold offsetting against a significant increase in consulting fees of approximately $400,000 compared with 2017. The significant increase in consulting fee in fiscal 2018 against 2017 is mainly due to the significant amount of management executive times devoted in the ZIM project throughout the year and the initiation of the 24 months consulting contracts with the Company controlled by the Company's Chief Executive Officer, Mr. Richard Groome and the entity associated with the Company's Chief Financial Officer, Mr. Robert Rosner in May 2018.

SELECTED QUARTERLY INFORMATION

The Company has not had any revenue from inception. The Company's past result of operation was not subject to seasonality. Management expects it will be difficult for the Company to obtain further equity or debt financing in the near future given that the current Canadian capital market is in a downturn for junior mining companies. The current resources on hand are not adequate for the Company to meet its long term business objective or to conduct any significant explorative activities to the existing mineral properties. In order to preserve cash on hands, management has decided to curtail the Company's operations and will not conduct significant exploration activities until the Company can secure resources to finance such exploration activities by obtaining additional (equity or debt) financing or other arrangement including joint-venture and farm-out arrangements.

The Company's information of the latest eight quarters is summarized as follows:

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total assets	1,755,015	1,826,488	1,832,153	2,253,046	1,529,087	1,094,704	392,425	1,152,890
Revenue	–		–	–	–	–	–	–
Net income (Loss) and comprehensive income (loss)	(221,014)	(125,514)	(448,096)	169,192	(168,310)	(319,689)	(326,801)	(669,752)
Earnings (loss) per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.03)

During the quarter of September 30, 2017, the addition of new board members and senior management members and the completion of the private placement of gross proceeds of $871,000 all contributed to the significant increase in consulting, management, professional fees and stakeholder relationship fees during the quarter.

During the quarter of December 31, 2017, the grant of 1,600,000 stock options resulted in $141,982 share-based compensation recognized in the quarter, the completion of the flow-through financing resulting in $559,150 where approximately $212,000 expenses were incurred for the flow through properties combining with travel and conference for investor relationship contributed to the significant increase of losses.

During the quarters of March 31, 2018, the main operating expenses were incurred in exploration and property investigation activities related to the LOI with Zimbabwe Lithium Project and private placement financing activities. The absence of the option grant related share based compensation and reduction in spending in the flow through expenditures on the Troilus North property contributed to the decrease in the operating expenses compared to the previous quarter.

During the quarter of June 30, 2018, the Company continued to incur expenses on the Zimbabwe Lithium Project which explains the minimal variance comparing to the previous quarter.

During the quarter of September 30, 2018, the Company slowed down on spending on the exploration front and the recognition of a cost recovery of approximately $35,000 related to the GST amount previously written in Fiscal 2017 upon receipt of the GST refund.

During the quarter of December 31, 2018, the significant increase in income was due to the recognition of the gain on sale of the Troilus North Property to Emgold Mining Corporation for $755,000 offset by the current quarter operating expenses of $528,692.

During the quarter of March 31, 2019, the significant increase in losses was due to the loss on sale of the shares of Emgold Mining Corporation and the share of the 19% of the quarterly losses of Zimbabwe Lithium.

During the quarter of June 30, 2019, the losses were reduced due to the reduced level of activity related to the Zimbabwe Lithium transaction as the Company decided to terminate the next phase development of the Project.

During the quarter of September 30, 2019, the significant increase in losses was due to the share of the 19% of the quarterly losses of Zimbabwe Lithium.

RESULTS OF OPERATION

Three months ended September 30, 2019 (“2019 Q3”) and 2018 (“2018 Q3”)

During 2019 Q3, the Company had a loss of $221,014 comparing to the $168,310 loss in the same quarter of last year. The $221,014 loss was mainly a combined result of incurring $111,399 operating expenses (2018 Q3 - $148,239), $109,530 equity loss on investment in associate (2018 Q3 - $NIL), and $85 finance fees (2018 Q3 - $71).

The operating expenses incurred in 2019 Q3 were mainly comprised of $106,750 consulting fees (2018 Q3 - $130,027), $NIL travel expense (2018 Q3- $11,644), $NIL exploration and evaluation (2018 Q3 - $30,666), and $NIL recovery of sales taxes previously written-off (2018 Q3 - $35,980). The decrease of these operating expenses in 2019 Q3 comparing to 2019 Q2 was due to the decrease in the level of activity related to the Zimbabwe Lithium Project.

Nine months ended September 30, 2019 (“2019 Q3 YTD”) and 2018 (“2018 Q3 YTD”)

During 2019 Q3 YTD, the Company had a loss of $794,624 comparing to the $744,915 loss in 2018 Q3 YTD. The $794,624 loss was mainly a combined result of incurring $404,896 operating expenses (2018 Q3 YTD - $794,233) and $260,785 loss on sale of marketable securities (2018 Q3 YTD - $NIL), and $128,688 equity loss on investment in associate (2018 Q3 YTD - $NIL), and $255 finance fees (2018 Q3 YTD - $682). .

The operating expenses incurred in 2019 Q3 YTD were mainly comprised of $314,167 consulting fees (2018 Q3 YTD - $391,747), $816 travel expense (2018 Q3 YTD - $94,243), $250 exploration and evaluation (2018 Q3 YTD - $114,468), and $52,269 professional fees (2018 Q3 YTD - $46,051). The significant decrease of these operating expenses in 2019 Q3 YTD comparing to 2018 Q3 YTD was a result of the decrease in the level of activity related to the Zimbabwe Lithium Project in the current period.

The loss on sale of marketable securities for $260,785 was related to the disposition of all the Company’s holdings in the shares of Emgold Mining Corporation during 2019 Q3 YTD. The $128,688 equity loss on investment in associate comprised of the 19% share of the net loss of the nine months period of Zimbabwe Lithium.

LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration stage company and has not earned revenue from operating activities since inception. Financing of operations has been achieved by equity and debt financing. As at September 30, 2019, the Company had a cash balance of $4,857, and working capital deficiency of $544,808. The Company has no operations that generate cash inflow.

Management intends to finance its operating costs with non-current loans from related parties and or private placement of common shares.

While the Company has a history of financing its operation through debt or equity financing in the past, readers are cautioned that there are no guarantees that the Company can do so in the future.

The Company had cash inflow of $392,801 from its investing activities during 2019 Q3 YTD which were mainly coming from the proceeds from sale of the shares of Emgold Mining Corporation.

The Company had cash inflow of $125,000 from its financing activities during 2019 Q3 YTD which were the proceeds from the issuance of 2,500,000 units at $0.05 per unit. Each unit consists of one common shares and one half of the share purchase warrants with an exercise price of $0.10 and expiring on August 6, 2020.

The Company is not subject to external capital requirements and does not have capital commitment.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Company does not have any proposed transactions that have material impacts to the Company at this time.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 51,922,310 shares and 22,692,496 share purchase warrants outstanding. The Company has 3,670,000 share purchase options that are outstanding as at the date of this MD&A.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the three months ended September 30, 2019 and 2018 was as follows:

	September 30, 2019	**September 30, 2018**
	$	$
Management and consulting fees	211,500	167,000
	211,500	167,000

During the nine months ended September 30, 2019, the Company incurred $90,000 (2018 - $90,000) in consulting fees to the entity controlled by Mr. Richard Groome, the Company's Chief Executive Officer ("CEO"), $90,000 in consulting fees (2018 - $53,000) to PanOcean Consulting Ltd., the entity associated with Mr. Robert Rosner, the Company's Chief Financial Officer ("CFO"), $31,500 (2018 - $24,000) in consulting fees to Mr. Steve Cozine, the Company's Corporate Secretary.

As at September 30, 2019, the Company's accounts payable balances owing to the related parties include:

- $60,000 (December 31, 2018 - $66,625) owed to Mr. Richard Groome;
- $49,260 (December 31, 2018 - $71,980) owed to PanOcean Consulting Ltd;
- $25,725 (December 31, 2018 - $9,957) owed to Mr. Steve Cozine;
- $22,660 (December 31, 2018 - $34,158) owed to Technology Earth Metrix, a company controlled by Mr. Alain Moreau, a director of the Company; and
- $NIL (December 31, 2018 - $35,935) owed to Mr. Alain Moreau.

The above balances are non-interest bearing, unsecured and due on demand.

(a) The Company and Notre Dame Capital Inc., the entity controlled by Mr. Richard Groome entered into a consulting agreement whereby the Company is committed to pay a monthly consulting fee of $10,000 to Mr. Richard Groome over a term of 24 months commencing from February 1, 2018. The monthly consulting fee will be increased to $20,000 upon successful completion by the Company of its first major acquisition of $5,000,000 or greater in value.

(b) The Company and PanOcean Consulting Ltd., an entity associated with Mr. Robert Rosner entered into a consulting agreement whereby the Company is committed to pay a monthly consulting fee of $10,000 to the CFO over a term of 23 months commencing from May 1, 2018. The monthly consulting fee will be increased to $20,000 upon successful completion by the Company of its first major acquisition of $5,000,000 or greater in value.

CHANGES IN ACCOUNTING POLICIES

Refer to the Note 3 to the Company's audited financial statements for the year ended December 31, 2018.

FINANCIAL INSTRUMENTS

Refer to the Note 10 to the Company's audited financial statements for the year ended December 31, 2018.

RISK FACTORS

Risks of the Company's business include the following:

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable.

Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Property Title

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company’s certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis.

In contrast to the certificate under National Instrument (“NI 52-109”) (Certification of Disclosure in Issuer’s Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

OFFICERS AND DIRECTORS

Richard Groome Interim CEO, President, Director and Chairman since September 25, 2017)

Robert Rosner	CFO, and Director since March 27, 2017; Secretary from March 27, 2017 to December 1, 2017
Steve Cozine	Secretary since December 1, 2017)
Luis Martins	Director
Alain Moreau	Director since December 19, 2017)