MERYLLION
Resources

MERYLLION RESOURCES CORP.
Management's Discussion and Analysis

For the three and six months ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of Meryllion Resources Corp. should be read in conjunction with the Company's audited financial statements and related notes for the year ended September 30, 2022 and the Company's unaudited condensed interim financial statements for the three and six months ended March 31, 2023 and 2022. The Company's financial statements for the year ended September 30, 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in this MD&A are expressed in Canadian Dollars unless otherwise noted. The information contained within this MD&A is current to May 8, 2023.

OVERVIEW

Meryllion Resources Corp. was incorporated on July 25, 2013 under the laws of British Columbia, Canada. Meryllion Resources Corp. (the "Company" or "Meryllion") is a natural resource company, at the exploration stage, engaged in the acquisition and exploration of resource properties. The Company's shares trade on the Canadian Securities Exchange ("CSE") under the symbol MYR.

The Company is in the process of earning an equity interest in the Mt Turner Copper/Moly/Gold project in northern Queensland.

Additional disclosures pertaining to the Company's filings, technical reports, press releases and other information are available on SEDAR at www.sedar.com.

The Company has launched its new website at "www.meryllionres.com".

CORPORATE ACTIVITY

(i) ***Option Agreement with Mt Turner***

On April 26, 2022, the Company announced it had reached terms with Essex Minerals Inc. ("Essex") for an arm's length option and earn-in joint venture on the Mt Turner copper-molybdenum and Drummer Fault gold projects in north Queensland, Australia.

Highlights

- Previous exploration by Essex and previous explorers have identified a coherent copper in soil anomaly (>100ppm) flanking a molybdenum in soil anomaly (>10ppm) over a 4km x 4km area at Mt Turner. The soil anomalies are coincident with circular aeromagnetic and geological features which display classic signatures of a large copper-molybdenum porphyry system.

- Mt Turner also has the potential to identify an economic gold resource along the Drummer Fault structure, which has demonstrated gold mineralization beneath six small oxide open pits, previous drilling and rock chip samples along 14 km of the identified strike length within the project area.

- Essex granted Meryllion a 90-day option to fund a minimum $250,000 on exploration at Mt Turner, including a detailed induced polarization survey to define drill targets within the porphyry system.

- Meryllion will then have the right to earn up to a 70% interest in the project by funding up to a further $3,800,000 in exploration in three stages.

(In Canadian Dollars unless otherwise stated)

- $400,000 on exploration within 12 months from the exercise date of the Option ("First Stage Earn-In") to earn 25%;
- $1,400,000 on exploration within 36 months of exercising the Option ("Second Stage Earn-in") to earn 51%; and
- a further $2,000,000 on exploration to earn a total 70% interest.

In addition to the $25,000 paid by Meryllion for the option, another $75,000 was paid to exercise the option on June 22, 2022.

By way of agreement between the companies, Essex incurred additional exploration expenditures of approximately $150,000 on the Mt Turner IP program, which Meryllion agreed to fund, to be credited towards Meryllion's 25% First Stage Earn-In period of $400,000. As of September 30, 2022, $25,000 of this expenditure was reimbursed to Essex.

In summary, as at March 31, 2023, the Company has paid $375,000 (September 30, 2022 - $375,000) to Essex as follows:

	Mt Turner
	$
Balance, September 30, 2021	**-**
Option fee	25,000
Option exercise payment	75,000
First Stage Earn-In expenditures	275,000
Balance, September 30, 2022 and March 31, 2023	**375,000**

On June 21, 2022, the Company announced that the first phase of exploration on the Mt Turner Cu-Mo-Au project in north Queensland had identified a number of previously unknown near surface drilling targets as well as sub vertical deeper targets possibly associated with porphyry mineralization targets.

- Phase 1 total of 31-line km of IP has been completed over the Mt Turner porphyry complex. The lines were spaced at 400 m with readings at 100 m along the lines.
- The IP program has successfully identified a number of significant high-intensity chargeability anomalies indicative of sulphide mineralization within a large felsic, porphyry style mineralizing center with strike lengths of up to 1.6 km and widths of up to 1.2 km. The largest anomaly remains open to the north.
- Coincident with and spatially related to the chargeability anomalies, detailed mapping has discovered a number of altered sub-volcanic and high-level volcanic intrusives, as well as an elongated, extensively altered, volcanic center.
- Strike continuous chargeability anomalies have been identified in four main geological settings: - A flat-lying high chargeability zone at a depth of between 100 - 150 m on the eastern flank of the altered volcanic centre. - Sub-horizontal and vertical deeper anomalies associated with the Mt Turner-type volcanic intrusives. - Additional vertical anomalies associated with a NE trending western structural corridor. - Anomalies associated with vertical altered sub-volcanic intrusives.

Summary Geology and Mineralization of the Mt Turner Project

The Mount Turner Property lies in the western portion of the Georgetown Inlier, which constitutes the bulk of the proclaimed Etheridge Goldfield. It consists of variably metamorphosed and deformed sedimentary and volcanic rocks of Palaeo- to Mesoproterozoic age, intruded by Mesoproterozoic granites.

The Proterozoic rocks have been intruded by Siluro-Devonian age granitic rocks during a period of subduction and underplating that is thought to have occurred during the Tabberabberan cycle of the Tasman Orogen (ca 430-380 Ma).

The Georgetown Inlier subsequently experienced a period of felsic intrusion and accompanied sub-aerial volcanism during the Carboniferous to Permian period (ca 350-230 Ma) associated with extension and rifting that developed during the Hunter-Bowen cycle of the Tasman Orogeny. This magmatism is termed the Kennedy Association, which consists of widespread and voluminous extrusive and intrusive igneous rocks, producing a number of large volcanic subsidence structures. This magmatic event was responsible for the 5 million-ounce Kidston gold deposit located some 70 kilometres to the SE of Mt Turner and several other precious metal deposits in Queensland.

The Permo-Carboniferous Mt Turner intrusive complex, which is centred within the property, consists of multiple phases of rhyolite to micro-granodiorite dykes, stocks and associated breccias, hosted by the Meso-Proterozoic Mount Turner Granite and metasediments of the Palaeo-Proterozoic Lane Creek Formation. The overlying subaerial volcanics are postulated to have preserved the porphyry-style mineralisation.

The property was initially examined during the 1975 field season by geologists of the Australian Government's Bureau of Mineral Resources (now Geoscience Australia) and the Geological Survey of Queensland after discovery of extensive hydrothermal alteration around Mt Turner.

The subsequent report (Baker & Horton, 1982) described the intrusive complex as a porphyry copper-molybdenum system with zoned polymetallic mineralisation. The report was based on 11 widespread, shallow vertical drill holes, <100 metres in depth and four diamond holes, only one of which was located near the intrusive centre. None of the drill holes were assayed in their entirety.

A portion of Mt Turner was held by Kidston Gold Mines ("KGM") in 1994-1998 and assessed for gold only, then held by Mega Uranium in 2006-2007 and explored for uranium. No follow-up exploration has been undertaken on the porphyry copper-molybdenum potential identified in the 1970s until the ground was staked in 2019 by KNX Resources Limited, an Australian exploration company now owned 100% by Essex. Essex currently owns 100% of the Mt Turner property, with Meryllion earning up to a 70% interest by funding exploration up to $3.8 million on a staged basis.

Exploration results to date by Essex

The Mt Turner Property comprises two granted exploration permits totaling approximately 104 sq km.

Soil sampling in a 100m x 100m grid by KGM (2,336 minus 80 mesh and 2,462 BCL samples) and Essex (719 samples) has outlined a 4km x 4km soil anomaly which shows classic Cu-Mo zonation – copper in soil flanking a molybdenum core. The areal size and intensity of alteration and associated anomalous geochemistry points to a significant mineralized system.

A regional aeromagnetic survey also covering Mt Turner (100m flight lines) was undertaken by Mega Uranium in 2006-7. The data was re processed by Essex's geophysical consultants resulting in a series of magnetic highs (interpreted to be associated with potassic alteration) flanking a magnetic low. Anomalous copper soil geochemistry closely follows the magnetic highs. Depth slices indicates the magnetic highs follow an annular ring to depths exceeding 800m.

In addition to the copper – molybdenum association, gold-silver and base metal soil anomalies occur on the periphery of the copper-molybdenum core zone associated with breccia bodies at Balaclava Hill, immediately to the northwest of Mt Turner, in major faults such as the 14 km Drummer Hill Fault, and in association with historically mined, high-grade Ag-Pb-Zn veins. The peripheral breccias and Drummer Fault remain excellent targets for gold mineralization.

Rock samples collected during first pass mapping by Essex field teams demonstrate the property has been subjected to multi-phase intrusive events which provides the potential for multi-stage mineralization episodes, therefore potential for higher grades.

One Queensland Government drill hole (NS4) to 295m in 1977 drilled peripheral to the porphyry target ended in near ore grade mineralization – 0.187% Cu, 0.075% Mo over an assayed 2m section.

Re-logging of the core from this hole by Essex has shown multi-lithological intrusive clasts in breccia at depth which also suggest a poly-phasal intrusive and mineralization history.

The re-logging has also demonstrated early widespread potassic alteration then an overprinting phyllic event (sericite) then a late stage second potassic event associated with multi-stage vein mineralization. This pattern of alternation conforms to the classic model for multi-stage mineralization. The later stage second potassic event towards the end of the hole also suggests that the hole ended above the main mineralization target zone.

The next phase of exploration will include further detailed geophysics and a planned initial approximate 2,000-meter drilling program to test the targets identified from previous exploration activities and in particular the recently completed IP Survey.

Summary Geology and Mineralisation of the Drummer Fault

The Drummer Fault is a 14 km east-west structure readily visible on Lidar and satellite imagery within the Mt Turner tenements. The Fault has been active throughout geological time having displaced Proterozoic granites and schists and is disrupted by Permo-Carboniferous felsic and mafic dykes associated with the Kennedy Magmatic Association of North Queensland (genetically related to the major gold deposits of north Queensland).

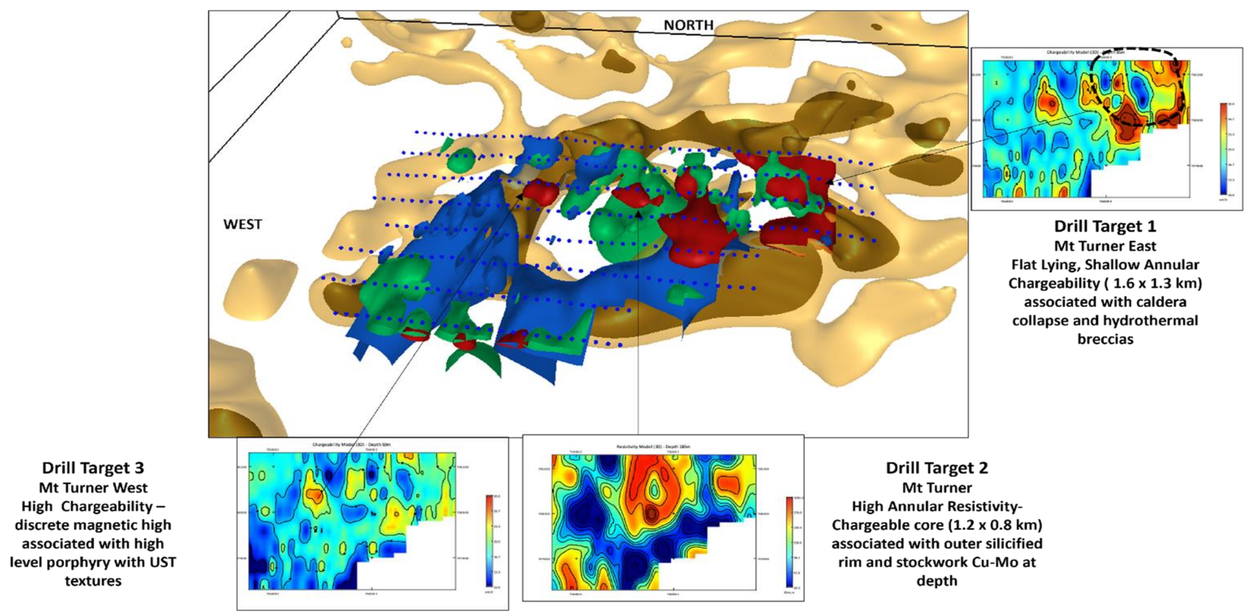
This structure has been influenced by the Mt Turner multi-phase intrusive porphyry Cu-Mo system 1.4 km to the south of the Drummer Fault. Historically, a number of shallow oxide pits were mined in the 1980's. NE trending structures have intersected the Drummer Fault in a number of locations and these structures may localise higher-grade mineralisation or yet undiscovered mineralized subsidiary splay faults.

At a local scale, exposures in old pits in the oxide zone have shown a close correlation between mineralisation and lithology. In the Drummer Pits, mineralisation follows fault breccias and quartz veining at the contact between granite and meta-dolerite. The Drummer Girl Pits appear to follow a contact between brecciated granite and rhyolite dykes while the Drummer Toy Pit is localised within coarse-grained muscovite granite with meta-dolerite noted some 50m to the south. Generally, where exposed, the Drummer Fault is mineralized along its entire length.

Six widely spaced diamond and RC holes drilled by Essex in 2021 beneath two of the pits at the eastern end of the Drummer Fault confirmed hypogene gold mineralisation beneath the shallow oxide pits. The best intersections were 7m @ 1.74g/t Au and 67.7 g/t Ag from 64m in Hole 6 and 3m @ 5.1g/t Au and 51g/t Ag from 83m in Hole 2.

The western 5km of the structure appears to be dominated by uranium mineralisation in the form of coffinite associated with apatite and sulphides (dominantly pyrite) associated with Permo-Carboniferous rhyolite and mafic dykes in steeply plunging shoots to the west. A historical uranium resource of 374,000 t @ 0.16% U_3O_8 has been established in the LC50 prospect by previous operators.

2022 Mount Turner Drill Targets



(ii) ***Oldham Range Option Agreement***

On July 26, 2021, the Company signed an option to acquire a 100% interest in the Oldham Range base and battery metal exploration property (the "Property") in Western Australia. The Property comprised of a 14,700 ha granted exploration license, 320km northeast of Wiluna, Western Australia.

The Company was entitled to earn a 100% interest in the Property by incurring AUD $300,000 of expenditures based on an agreed budget on or before December 31, 2022. During the three months ended March 31, 2023, the Company did not extend this deadline, therefore, the exploration costs incurred up to this date of $103,471 were written off and included in the Company's net loss and comprehensive loss for the period.

(In Canadian Dollars unless otherwise stated)

	Oldham Range
	$
Balance, September 30, 2021	**32,932**
Geological consulting	53,199
Contract labour	3,507
Travel and lodging	12,339
Field supplies	304
Drilling	1,190
Balance, September 30, 2022	**103,471**
Impairment of exploration costs	(103,471)
Balance, March 31, 2023	**-**

(iii) ***Financings***

On February 27, 2023, the Company announced it had closed a non-brokered private placement by issuing 2,000,000 units of the Company at a price of $0.05 per unit for gross proceeds of $100,000. Each unit consisted of one common share of the Company and one warrant. Each warrant is exercisable at a price of $0.08 per share until July 1, 2023.

A director of the Company purchased all the units issued pursuant to the private placement through Croesus Mining Pty Ltd. The issuance constitutes a related-party transaction within the meaning of Multi-Lateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Pursuant to Sections 5.5(b) and 5.7(1)(a) of MI 61-101, the Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval because its common shares trade on the CSE and the fair market value of the insider's participation in the Private Placement is below 25% of the Company's market capitalization for purposes of MI 61-101.

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement because the details of the participation therein by related parties to the Company were not settled until shortly prior to the closing, and the Company wished to close on an expedited basis for business reasons.

The private placement is subject to final acceptance of the CSE. All securities issued pursuant to the private placement are subject to a hold period of four months and one day from the date of issuance.

On April 7, 2022, the Company completed a non-brokered private placement pursuant to which the Company has issued a total of 6,154,615 common shares at a price of $0.065 per share for gross proceeds of $400,050. Share issuance costs related to the private placement were $20,475.

Certain insiders of the Company subscribed for a total of 2,307,693 common shares pursuant to the private placement. The issuance of shares to each insider constitutes a related-party transaction within the meaning of MI 61-101.

The share issuances to the insiders are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to Sections 5.5(c) and 5.7(1)(b) of MI 61-101 as they were a distribution of securities for cash and neither the fair market value of the common shares distributed to, nor the consideration received from, interested parties exceeded $2,500,000.

The Company did not file a material change report more than 21 days before the expected closing of the private placement because the details of the participation therein by related parties to the Company were not settled until shortly prior to the closing, and the Company wished to close on an expedited basis for business reasons. All common shares issued pursuant to the private placement are subject to a hold period of four months and one day from the date of issuance.

(iv) ***Other corporate***

On September 26, 2022, the Company granted an aggregate of 950,000 incentive stock options, of which 450,000 with an exercise price of $0.105 each and 500,000 with an exercise price of $0.115 each, to certain officers, directors and consultants of the Company. The options vest immediately and are exercisable for a period of 60 months from date of issuance. During the year ended September 30, 2022, a total of 950,000 options, of which 450,000 options with an exercise price of $0.105 and 500,000 options with an exercise price of $0.115 were forfeited.

On July 13, 2022, the Company announced that it has entered into a market-making agreement (the "Agreement") with Independent Trading Group Inc. ("ITG") pursuant to which ITG has agreed to provide certain market-making services to the Company.

On April 7, 2022, the Company announced that, effective immediately, Jeremy Edelman has resigned as a director and as the Chief Executive Officer of the Company. Richard Revelins, currently a director of the Company has been appointed as the Company's new Chief Executive Officer. In addition, the Company announced that David Steinepreis has resigned as the Company's Chief Financial Officer. Mr. Steinepreis will continue to serve as a director of the Company. Chuck Forrest has been appointed as the Company's new Chief Financial Officer.

On March 1, 2022, the Company announced the appointment of Richard Revelins to its board of directors. Richard Revelins is the co-founder and Executive Director of Peregrine Corporate Limited, a Melbourne, Australia based investment bank and Australian Financial Services License Holder. He is also a Managing Director Cappello Group, Inc, a Los Angeles, USA based investment bank. He has over 35 years' experience with international investment banks in the area of corporate finance and corporate advice. He has held senior positions with Kleinwort Benson Australia Limited, Morgan Grenfell Australia Limited and McIntosh Securities Limited before co-founding Peregrine Corporate Limited. Mr. Revelins has predominantly specialized in the mining and natural resources industry and was the former chairman of Atlas Iron Limited, a leading Australian iron ore producer. He was also the former chairman of Gold Road Resources Limited.

On January 17, 2022, the Company announced that it has completed a shares-for-debt transaction pursuant to which the Company issued a total of 900,000 common shares at deemed issue a price of $0.07 per share in settlement of $63,000 of outstanding management fees owing to two of the Company's officers and directors.

The issuance of shares to each of the officers and directors constitutes a related-party transaction within the meaning of MI 61-101.

The issuances to the insiders are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to Sections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeds 25% of the Company's market capitalization.

(In Canadian Dollars unless otherwise stated)

The Company did not file a material change report more than 21 days before the expected closing of the shares-for-debt transaction because the details of the participation therein by related parties to the Company were not settled until shortly prior to the closing and the Company wished to close on an expedited basis for business reasons.

All shares issued pursuant to the shares-for-debt transaction are subject to a hold period of four months and one day from the date of issuance.

The Company does not believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional funding at terms that are acceptable to the Company will be available. The Company may raise additional funds through debt, the issuance of shares or through a strategic partnership. The inability to obtain additional financing may cast substantial doubt on the Company's ability to continue as a going concern.

SUMMARY OF SELECTED QUARTERLY RESULTS

	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3
Total assets	$466,195	$626,864	$587,205	$798,362	$744,354	$474,286	$612,571	$661,555
Net loss for the period	(170,045)	(87,504)	(138,969)	(86,184)	(87,649)	(81,414)	(54,625)	(265,284)
Comprehensive loss for the period	(170,045)	(87,504)	(138,969)	(86,184)	(87,649)	(81,414)	(54,625)	(265,284)
Basic and diluted loss per share	(0.01)	(0.00)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)

Note: Quarterly amounts added together may not equal the total reported for the period due to rounding

RESULTS OF OPERATIONS

The operating results of junior mining companies can fluctuate significantly from period to period. The Company is in the exploration stage and has no revenue from operations.

Three months ended March 31, 2023 ("Q2 2023") compared to the three months ended March 31, 2022 ("Q2 2022")

The Company recorded a net loss of $170,045 for Q2 2023, compared to a net loss of $87,649 for Q2 2022. The increase in loss of $82,396 in the current period is mainly due to the loss in impairment of exploration and evaluation assets of $103,461, net of decreases in management fees of $16,752 and professional fees of $11,289 from prior year period.

(In Canadian Dollars unless otherwise stated)

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

All of the Company's financial instruments are classified as amortized costs. All financial instruments are measured in the statement of financial position at fair value initially. Subsequent measurement and changes in fair value will depend on their initial classification.

The Company has designated its cash and amounts receivable as amortized cost and accounts payable and accrued liabilities as amortized cost. Cash and accounts receivable are included in current assets due to their short term nature. Accounts payable and accrued liabilities are included in current liabilities due to their short-term nature.

The Company's financial instruments are as follows:

	As at			
		March 31, 2023		September 30, 2022
Financial assets				
Assets at amortized cost				
Cash	**$**	**75,147**	$	66,549
Amounts receivable		**16,048**		42,185
Total financial assets	**$**	**91,195**	$	108,734
Financial liabilities				
Liabilities at amortized cost				
Accounts payable and accrued liabilities	**$**	**123,536**	$	82,997
Total financial liabilities	**$**	**123,536**	$	82,997

Additional financial instruments disclosure, including an analysis of risks associated with financial instruments, is contained in Note 5 of the Company's audited financial statements for the year ended September 30, 2022.

LIQUIDITY AND CAPITAL RESOURCES

(a) Liquidity

The Company's working capital deficit as at March 31, 2023 was $32,341 (September 30, 2022 – working capital of $25,737). Included in working capital was cash of $75,147 (September 30, 2022- $66,549).

Except as disclosed, the Company does not know of any trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the ability to raise additional capital as required.

The Company is not now and does not expect in the future, to be engaged in currency hedging to offset any risk of currency fluctuations.

(b) Capital Resources

The Company's focus for the recently completed fiscal period and going forward is the evaluation of acquisition targets. The major expenses that will be incurred by the Company in the next twelve months will be costs associated with its general and administrative activities. The Company does not believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern.

The Company depends on external financing to fund its activities and there can be no guarantee that external financing will be available at terms acceptable to the Company. The Company will be relying on further equity financing, debt financing, strategic partnerships or joint-venture partnerships as the most likely source of funds. If adequate funds are not available when required, the Company may, based on the Company's cash position, delay, scale back or eliminate various programs.

Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management during the periods ended March 31, 2023 and 2022 and the Company is not subject to any externally imposed capital requirements.

There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that future additional financing will be available to the Company at acceptable terms. The inability to obtain additional financing may cast substantial doubt on the Company's ability to continue as a going concern.

(c) Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

(d) Proposed Transactions

The Company has no proposed transactions.

RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at their fair values, which is the amount of consideration established and approved by the related parties. Key management includes directors and officers of the Company.

During the six months ended March 31, 2023, the Company incurred $38,496 (2022 - $72,000) in management fees to the CEO and CFO of the Company. This includes $Nil incurred by the former CEO and CFO of the Company (2022 - $72,000). As at March 31, 2023, accounts payable and accrued liabilities included $36,000 (September 30, 2022 - $36,000) payable to the former CEO and CFO of the Company and $28,580 (September 30, 2022 - $Nil) owing to the CEO and CFO of the Company.

During the six months ended March 31, 2023, the Company's director subscribed for 2,000,000 common shares in the capital stock of the Company at a price of $0.05 per share for gross proceeds of $100,000.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at May 8, 2023, the Company had 29,889,455 common shares issued and outstanding, 2,290,000 stock options outstanding and exercisable, and had 2,000,000 share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

The Company's exploration activities and related results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding: additional financing, insurable risks and limitations of insurance, management, regulatory requirements, currency fluctuations and environmental regulations risks.

A summary of the Company's financial instruments risk exposure is provided in Note 5 of the Company's financial statements for the year ended September 30, 2022. The following are additional risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply.

Meryllion will need additional financing in the future and cannot assure that such financing will be available

To meet its operating costs and to finance its respective future acquisition and operating activities, the Company will require financing from external sources, including from the sale of equity and debt securities, entering into joint ventures or seeking other means to meet its financing requirements. There can be no assurance that additional funding will be available to the Company or, if available, that such funding will be offered on terms acceptable to the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of the respective company may be diluted.

If unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its activities and may not be able to take advantage of acquisition opportunities. The failure of the Company to obtain additional financing would have a material adverse effect on its business, financial condition, results of operations or prospects.

The volatility of the capital markets may affect the Company's access to and cost of capital

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility, and the market price of securities of many companies, particularly those in the resource sector, can experience wide fluctuations which are not necessarily related to the operating performance, underlying asset values or prospects of such companies. Increased levels of volatility and resulting market turmoil may adversely impact the Company and its share price. If the Company is required to access credit markets to carry out their respective development objectives, the state of domestic and international credit markets and other financial systems could affect their respective access to, and cost of, capital. Such capital may not be available on terms acceptable to the Company or at all, which may have a material adverse impact on its business, financial condition, results of operations or prospects.

The Company's prospects depend on its ability to attract and retain qualified personnel

Recruiting and retaining qualified personnel will be critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. The Company believes that it will have the necessary personnel to meet its corporate objectives but, as its business activities grow, it will require additional key financial, administrative, mining and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Directors and officers may be subject to conflicts of interest

Certain directors and officers of the Company are or may become associated with other target acquisition companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the company with which they serve are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of their respective company. Some of the directors and officers have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner, or to allocate opportunities that they become aware of to the Company, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's management is required to make judgements in the process of applying the Company's accounting policies in the preparation of its financial statements. In addition, the preparation of the financial statements in accordance with IFRS requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. While management believes the estimates are reasonable, actual results could differ from these estimates and could impact future results of operations and cash flows. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

FORWARD LOOKING STATEMENTS

Certain of the statements made and information contained herein are considered "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its properties and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- availability of additional financing or joint-venture partners
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above and elsewhere in this MD&A. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.