VALOREM RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For The Period Ended January 31, 2023

OVERVIEW

This management's discussion and analysis ("MD&A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the nine months ended January 31, 2023, compared to the nine months ended January 31, 2022. This report prepared as at March 31, 2023 intends to complement and supplement our condensed interim consolidated financial statements (the "financial statements") as at January 31, 2023 which have been prepared in accordance with International Financial Reporting Standards, and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the condensed interim consolidated financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements (the "financial statements") and accompanying notes for the year ended April 30, 2022, (the "financial statements"), which have been prepared in accordance with International Financial Reporting Standards "IFRS".

Our condensed interim consolidated financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our condensed interim consolidated financial statements have been prepared using accounting policies consistent with IFRS. All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company", we mean Go Metals Corp., as it may apply.

FORWARD LOOKING STATEMENTS

Certain statements in this report may be forward-looking statements, which reflect management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about our current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of minerals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control, such as the current COVID-19 pandemic.

Additional information relating to Valorem Resources Inc. is available by accessing the SEDAR website at www.sedar.com.

DESCRIPTION OF BUSINESS

Valorem Resources Inc. ("VALU", "Valorem" or the "Company") is a mineral exploration company working on a gold opportunity in the Democratic Republic of Congo, located in the Fizi territory of South Kivu province. The Misisi Gold Project has contained inferred mineral resource of 3 million ounces. VALU was incorporated on May 9, 2014. On September 14, 2020, the Company changed its name from JDF Explorations Inc. to Valorem Resources Inc. The Company is a publicly listed company on the Canadian Stock Exchange ("CSE"), trading under the symbol "VALU" and on the Frankfurt Stock Exchange under the symbol "1XW1."

The head office and principal address is 2380 – 1055 West Hasting Street, Vancouver, British Columbia, V6E 2E9. The registered and records office of the Company is located at 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

SUMMARY OF BUSINESS ACTIVITIES –ACQUISITION OF REGENCY MINING LTD.

On December 22, 2022, the Company entered into a share exchange agreement with Regency Mining Ltd. ("Regency") to acquire 100% of Regency, a private corporation existing under the laws of Seychelles. Regency owns a 99.43% interest in Casa Mining Ltd. ("Casa"), and indirectly through its ownership of Casa, owns a 73.84% interest in Leda Mining Congo S.A. ("Leda"). Leda owns an interest in and to the Misisi Gold Project ("Gold Project") located in the Fizi territory of South Kivu province, in the DRC. The Gold Project covers 133 square kilometers on three contiguous mining licenses, valid until 2045. As consideration, the Company has agreed to pay or issue the following:

- A cash payment of US $150,000 upon execution of an LOI (paid);
- A cash payment of US $250,000 on or prior to July 31, 2022 (paid);
- A cash payment of US $100,000 upon execution of a Definitive Agreement (paid); and,
- Issued 16,000,000 (issued)

Accounting Treatment:

In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary assets are mineral claims. Consequently, the transaction has been recorded as an acquisition of an asset. The transaction price was negotiated and entered into at arm's length. As the transaction was entered into at arm's length, the consideration is presumed to be equal to the fair value of the net assets acquired unless there is evidence to the contrary. On the date of acquisition, there was no evidence to suggest that the fair value of the net assets acquired did not equal the consideration paid. The consideration's fair value was determined using a level 1 (valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities) input, and the Company's share price on the date of issuance, totaling $5,680,000. The Company paid cash totaling $656,566, paid transaction costs of $3,600 and issued 2,000,000 finder common shares with a fair value of $710,000. The Company's significant accounting policy is to expense all exploration and evaluation acquisition cost and expenditures, unless commercial feasibility has been met. On the date of acquisition, commercial feasibility was not met and based on the Company's historically significant accounting policy, rather, the Company expensed the difference between the consideration paid and the net assets acquired to the Consolidated Statement of Loss and Comprehensive Loss to exploration and evaluation expense.

The following table summarizes the consideration paid and the allocation to the assets and liabilities acquired as at the date of acquisition:

Purchase price	**$**
16,000,000 common shares	5,680,000
2,000,000 finder common shares	710,000
Cash payments	656,567
Transaction costs	3,600
Total consideration paid	7,050,166
Cash	759
VAT receivable	254,236
Deferred consideration payable	(2,543,800)
Liabilities assumed	(4,456,660)
Net liabilities acquired	(6,745,465)
Non-controlling interest	1,764,614
Liabilities acquired	(4,980,851)
Net exploration and evaluation expenditures	12,031,017

The accounting for this acquisition has been provisionally determined at January 31, 2023. The fair value of total consideration has been determined provisionally and subject to adjustment. Upon completion of a comprehensive finalization of the purchase price allocation, the amounts above may be adjusted retrospectively to the acquisition date in future reporting periods.

Business Acquisition Report ("BAR") filing:

The Company filed the BAR on SEDAR on February 23, 2023.

SUMMARY OF BUSINESS ACTIVITIES –ACQUISITION OF 1286492 B.C. LTD.

On February 12, 2021, the Company acquired 100% of 1267818, a British Columbia based exploration corporation focused on the acquisition of precious metal properties in Canada, via a three-cornered amalgamation.

Pursuant to the terms of the amalgamation, the Company issued 85,714 common shares with a fair value of $5,100,000 to the shareholders of 1286492 in exchange for all of the issued and outstanding shares of 1286492. 1286492 holds a 100% interest in the following Mineral Claims located in BC, collectively "BC Cariboo Property":

- 100% ownership of the Cariboo Gold Property;
- 100% ownership of the Lac La Hache Gold Property; and,
- 100% ownership of the Pinto Gold Property.

Accounting Treatment:

In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary assets are only the Mineral Claims. Consequently, the transaction has been recorded as an acquisition of an asset. The transaction price was negotiated and entered into at arm's length.

As the transaction was entered into at arm's length, the consideration is presumed to be equal to the fair value of the net assets acquired unless there is evidence to the contrary. On the date of acquisition, there was no evidence to suggest that the fair value of the net assets acquired did not equal the consideration paid. The consideration's fair value was determined using a level 1 (valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities) input, and the Company's share price on the date of issuance, totaling $5,100,000. The Company's significant accounting policy is to expense all exploration and evaluation acquisition cost and expenditures, unless commercial feasibility has been met. On the date of acquisition, commercial feasibility was not met and based on the Company's historically significant accounting policy, rather, the Company expensed the difference between the consideration paid and the net assets acquired to the Consolidated Statement of Loss and Comprehensive Loss to exploration and evaluation expense.

The following table summarizes the consideration paid and the allocation to the assets and liabilities acquired as at the date of acquisition:

Purchase price:	$
Total consideration paid – 85,714 common shares issued at $5.95 per share	5,100,000
Net liabilities assumed:	
Exploration and evaluation asset	-
Accounts payable	(63,515)
Due to MegumaGold Corp.	(47,794)
Loan payable	(100,000)
Net liabilities assumed – charged to the statement of operations.	(211,309)
Excess of consideration over net liabilities assumed	5,100,000

In accordance with the Company's significant accounting policy for exploration and evaluation assets, all acquisition, exploration and development of exploration and evaluation assets are expensed unless such mineral properties are placed into commercial production, at which time they are capitalized. Based on this accounting policy, the Company recorded the excess consideration paid over net liabilities acquired to the statement of loss and comprehensive loss of $5,100,000.

Accounting impact on financial statements in prior fiscal year

Pursuant to the Company's accounting policy, the Company recorded an expense of $5,100,000 to the statement of loss and comprehensive loss for the year ended April 30, 2021. This transaction was completed using equity of the Company and is a non-cash transaction. The Company's net loss for the year ended April 30, 2021 was $7,143,486 (Year ended April 30, 2020 - $527,557), representing an increase of $6,615,929, year over year. In total, non-cash transactions for share-based compensation of $490,035 (Year ended April 30, 2020 - $Nil) and the acquisition of 1286492 of $5,100,000 (Year ended April 30, 2020 - $Nil), accounted for 85% of the increase. The acquisition of 1286492 was an infrequent transaction.

Business rationale and judgements:

1286492 holds claim to several British Columbia projects which includes projects with multiple tenure blocks totaling more than 4,000 ha (“Claims”), located in the Cariboo District. The Cariboo District Claims strategically target the Transitional or Basalt Siltstone of the Barkerville Terrain and are centered around three historic mining communities of Wells, Barkerville and Stanley. The northern boundary of the Company’s claims is immediately adjacent to the Barkerville Gold Mines Ltd. Cariboo Gold Project that hosts an orogenic gold deposit. The Company acquired these Claims as the leadership team saw an opportunity to acquire gold Claims situated next to historical gold deposits. Subject to accessing sufficient funding, the Company is looking to explore these Claims and conduct further work to identify any potential gold deposits.

The Company is required to make significant judgements on the feasibility of these mineral Claims on an on-going basis and there are no guarantees that commercially available quantities of precious metals will be discovered. There are no further commitments to acquire these Claims.

Business Acquisition Report (“BAR”) filing:

The Company filed the Material Contracts on August 6, 2021 and the BAR on SEDAR on August 10, 2021.

Determination of transaction price:

The transaction price was negotiated at arm’s length, and was based on a variety of considerations, including: publicly available information about the purchase price previously paid for the BC Cariboo Property by one of the previous owners; market price per ounce of gold at the time of negotiations; increased appreciation of the price per ounce of gold (compared to recent years); significant market demand for exploration-stage gold projects through the winter of 2020/2021; and, the corresponding impact of the appreciation of the price of gold on the economics of exploring these types of projects. The resulting negotiated transaction price was 85,714 common shares.

Corporate Highlights - Appointments

On March 28, 2023, the Company appointed Jonathan Victor Hill to the board of directors. Mr. Hill is an economic geologist with over 35 years of experience globally, in exploration, project development and mining operations, and has been directly involved in the discovery of several worldclass projects within both greenfield and brownfield areas.

On March 22, 2023, the Company announced the formation of an Advisory Board to assist in the further development of the Company. The Company announced the appointment of mining industry veterans, Mr. Robert Cross and Mr. Paul Matysek, as inaugural members of the Advisory Board.

Robert Cross has more than 30 years of experience as a founder, financier and advisor in the mining and oil & gas sectors. Mr. Cross currently is a Co-founder and Chairman of B2Gold Corporation (since 2007) which now produces over one million ounces of gold annually from three mines in Asia and Africa.

Paul Matysek is a geologist and geochemist by training, with over 40 years of experience in the mining industry. Since 2004, as either Chief Executive Officer ("CEO") or Executive Chairman, Mr. Matysek has sold six publicly listed mineral exploration and development companies, in aggregate worth over $2.5 billion.

On November 16, 2021, Mr. Young Yuen was appointed to the Board of Directors.

Mr. Young Yuen has been a private electrical engineering consultant for the last 18 years, after an extensive and distinguished career in the consulting engineering industry spanning 15 years covering many mining and pulp & paper projects throughout BC and Alberta and across the United States. Some of Mr. Yuen's more significant accomplishments include the Canada Line rapid transit system and a number of facility expansions/upgrades at Vancouver General Hospital.

Mr. Yuen has extensive experience in all facets of the engineering construction industry, including feasibility studies, project costing, design execution, contract administration, facility start-ups and quality assurance. His wide-ranging expertise include power distribution, lighting, emergency communications, fire alarms and life-safety systems.

He is a graduate of the prestigious Engineering Physics program at the University of British Columbia. Mr. Yuen is a retired professional engineer in good standing, registered in both BC and Alberta.

EXPLORATION AND EVALUATION EXPENDITURES

All technical aspects of the Company for this MD&A report, have been reviewed and approved by Dr. Stewart A Jackson, P.Geo., a Qualified Person under NI 43-101 and independent of the Company.

During the nine-month period ended January 31, 2023 and April 30, 2022, cumulative acquisition and exploration expenditures were as follows:

	Regency Mining $	**Black Dog Lake Project** $	**Wings Shear Property** $	**Total Costs** $
Acquisition costs:				
Opening, April 30, 2021	-	-	-	-
Additions	-	162,500	577,125	739,625
Ending Balance, April 30, 2022	-	162,500	577,125	739,625
Additions	12,031,017	15,000	-	12,046,017
Ending Balance, January 31, 2023	12,031,017	177,500	577,125	12,785,642
Exploration expenditures:				
Assays	-	-	2,318	2,318
Camp costs	-	1,173	-	1,173
Claim staking and renewals	-	4,774	-	4,774
Demobilization	-	7,945	-	7,945
Equipment rental	-	1,350	43,540	44,890
Field expenditures	-	5,002	4,125	9,127
Field personnel	-	9,863	66,625	76,488
Geological	-	17,585	66,785	84,370
Geophysical	-	54,501	-	54,501
Line-cutting	-	1,500	-	1,500
Mobilization	-	7,945	-	7,945
Sampling	-	2,000	61,687	63,687
Transportation	-	500	5,822	6,322
Exploration expenditures up to April 30, 2022 and January 31, 2023	**-**	**114,138**	**250,902**	**365,040**
Total acquisition and exploration expenditures April 30, 2022	**-**	**276,638**	**828,027**	**1,104,665**
Total acquisition and exploration expenditures January 31, 2023	**12,031,017**	**291,638**	**828,027**	**13,150,682**

Management has determined that due to uncertainty on future recoverability of its mineral exploration and evaluation assets, acquisition and exploration costs are expensed as incurred.

Misisi Gold Project

The Misisi Gold Project (or the "Project") has a contained Inferred Mineral Resource of 3 million ounces of gold as reported in the Company's National Instrument 43-101 technical report on the Misisi Gold Project (the "Technical Report").

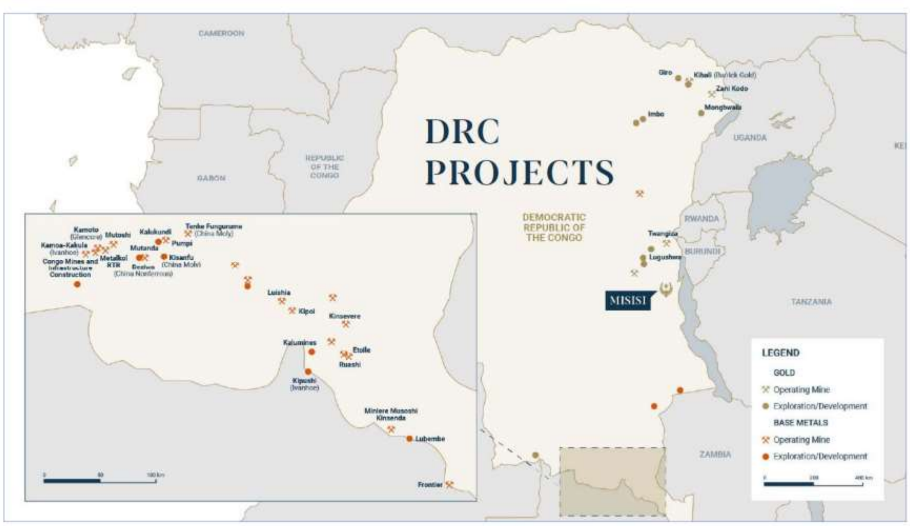
Near term upside potential around the existing Akyanga deposit with additional drilling on strike and at depth. Additional near-term potential to increase resources with further drilling at the know Akyanga East prospect. Scope to significantly increase the resource from multiple drill targets identified over a 50km strike length with positive indications and intersections from geophysical and soil anomalies, as well as historical drilling data.

About the Misisi Gold Project:

- Large contiguous licensed land position extending 133 square kilometers valid through to 2045.
- Host to an Inferred Resource of 44.3 million tonnes at an average grade of 2.16 g/t Au (representing 3.1 million ounces of gold) at Akyanga.
- Significant upside exploration potential on a 55 km prospective gold belt, of which numerous targets have been identified from prior exploration activity (geophysics, sampling and prospecting) including the directly adjacent Akyanga East prospect.
- Extensive past exploration work with technical reports generated including three historical resource estimates using the JORC Code and a Scoping Study (SRK, 2014)

The Mineral Resource Estimate is supported by data from 105 diamond drill holes and 6 RC drill holes totalling over 22,000m of drilling. All sample data was composited to the dominant sample length of 1 m prior to analysis and estimation. The sample database and the topographic survey were reviewed and validated by Arc Minerals Ltd. (former owner of Casa) and African Mining Consultants prior to being supplied to Ivor Jones Pty Ltd, a specialised Australian based Resource Consultancy. Such review and validation help to support the reliability of the estimate. Geological and Mineral Resource domain modelling, grade interpolation, Mineral Resource classification and reporting of the Mineral Resource statement, was performed by Mr. Ivor Jones. Mr. Jones is a “Qualified Person” within the meaning of National Instrument 43 - 101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Block modelling was carried out using cell dimensions of 25mE by 25mN by 25 mRL and was coded to reflect the surface topography and mineralised zones. Density values were estimated into blocks and had an average density of 2.63t/m³. The Mineral Resource Estimate has been classified based on data density, data quality, confidence in the robustness of the grade interpolation.

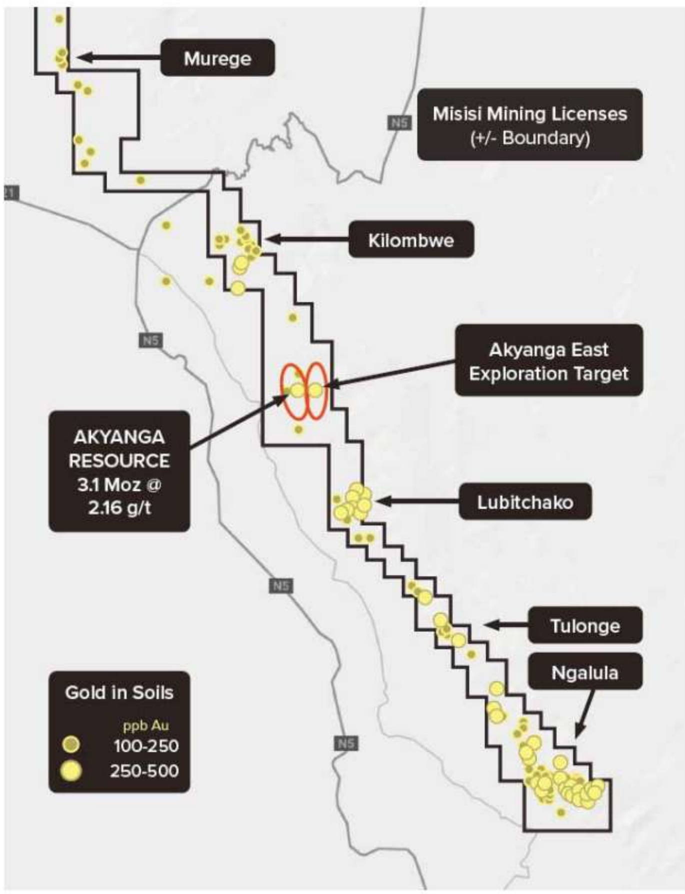
Figure 1: Misisi Gold Project



The Project is located 250 kilometres south of Bukavu, the provincial capital of the South Kivu Province, in the Democratic Republic of the Congo (Figure 1). The Project is comprised of three contiguous 30-year mining leases, valid until 2045, covering 133 square kilometres of highly prospective exploration ground along the 55-kilometre-long Kibara Gold Belt. The Kibara Belt is a well-known metallogenic province and hosts a number of other deposits including the Twangiza (5.1 Moz oz Au, source: S&P Global) and Namoya (1.9 Moz, source: S&P Global) gold mines. Within the area of the 3 licenses, a significant number of prospects have been delineated including the Akyanga deposit and Akyanga East exploration target, along with the Lubitchako, Tulogwe, Kilombwe and Mutshobwe prospects (Figure 2).

The Misisi Gold Project has been explored by a number of companies intermittently since the late 1920's. Recently, exploration was carried out by Anvil Mining (acquired by Minmetals Resources/MMG in 2011 for C$1.3 billion) from 1998 through 2008, followed by Casa Mining from 2011 through 2018 that included 21,610 metres of diamond drilling in 133 holes, 2,810 metres of reverse circulation drilling in 23 holes, 2,011-line metres of trenching, in addition to geophysical surveying, sampling and prospecting.

Figure 2: Misisi Gold Project License Map



The Misisi Gold Project contains the Akyanga deposit, which is the subject of the NI 43-101 Inferred Resource of 44.3 million tonnes at an average grade of 2.16 grams per tonne gold containing 3.1 million ounces. Mineralization at Akyanga is comprised of several sub-parallel mineralized zones, which have been delineated by historical exploration including diamond and reverse-circulation (RC) drilling. The deposit has been defined over a 1,200-metre strike length, and comprises six sub-parallel quartz veins ranging from one to eight metres thick that dip shallowly to the southeast, extending to a depth of 300 metres with mineralization remaining open at depth.

Black Dog Lake Gold Project, Quebec

On August 4, 2020, the Company signed a property option agreement (the "Black Dog Agreement") to purchase the Black Dog Lake Gold property, which was comprised of 16 contiguous mineral claims, located in the James Bay region, Quebec. The Company staked an additional 9 claims thereby increasing the Black Dog Lake Gold property to 25 claims covering a total of 1,319.4 hectares.

On September 8, 2022, the Company signed an Amending Agreement (the "Amending Agreement") and paid $15,000 to amend the option payment terms to the following:

- The Company is obligated to pay an additional $55,000 on or before October 31, 2022 (not paid);
- Issue an additional 750,000 shares on or before October 31, 2022 (not issued); and,
- Spend an additional $200,000 on or before October 31, 2022 (not incurred).

Pursuant to the terms of the Black Dog Agreement, the Company can earn a 100% interest in the Black Dog Gold Project by making the following payments to the Optionors:

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum exploration requirements
$35,000 due within 5 business days of the effective date (paid)	14,286 shares (issued at a fair value of $50,000) and due upon execution of the Black Dog Agreement	$NIL
$45,000 due on 1st anniversary date of the effective date (paid)	14,286 shares (issued at a fair value of $117,500) on or before one year from signing the Black Dog Agreement	$50,000 to be spent on or before the 1st anniversary date of the effective date (obligation fulfilled)
$55,000 due on October 31, 2022 (Amended)	750,000 shares to be issued by October 31, 2022 (Amended)	$200,000 to be spent by October 31, 2022 (Amended)
$60,000 due on the 3rd anniversary date of the effective date	28,571 shares to be issued on or before three years from signing the Black Dog Agreement	$500,000 to be spent on or before the 3rd anniversary date of the effective date
$195,000		**$750,000**

The Optionors retain a 2% Net Smelter Return Royalty ("NSR") on all metals recovered from the Black Dog Lake Gold Project. The Company has the right at any time to acquire 50% of the NSR for $1,000,000.

The Optionors retain a 2% Net Smelter Return Royalty ("NSR") on all metals recovered from the Black Dog Lake Gold project. The Company has the right at any time to acquire 50% of the NSR for $1,000,000. In the event that the Company declares a proven reserve supported by a NI43-101 Technical Report, an additional 28,571 common shares are to be issued to the Optionors. On November 18, 2021, the Company filed an updated NI43-101 which does not declare a proven reserve, therefore the Company is not yet obligated to issue the additional 28,571 shares to the Optionors.

As at January 31, 2023, the Company is in negotiation with the above vendor.

Black Dog Lake Gold Project exploration update

During the year ended April 30, 2020, the Company completed a Technical Report, in accordance with National Instrument 43-101, for the Black Dog Lake Project and has filed on it on www.SEDAR.com. The Technical Report was prepared by Darren L. Smith, M.Sc., P.Geo., of Dahrouge Geological Consulting Ltd., and titled "Technical Report on the Black Dog Lake Property, Quebec, Canada", effective date December 8, 2020.

The Black Dog Lake Project is an early-stage exploration project, which has been the subject of several exploration campaigns by multiple companies since the 1970s. Appreciable gold mineralization has been confirmed to be present on the Property within a sulphide-facies banded iron formation (the “Black Dog Zone”) and represents the primary exploration target on the project. In addition, a series of east-west trending conductors, IP anomalies, and magnetic trends are prevalent across the southern half of the property and parallel the northern contact of the Mistumis Batholith. Collectively, these features demonstrate additional exploration potential on the property. A total of five (5) target areas have been identified on the property, highlighted by the Black Dog Zone.

The mineralization at the Black Dog Zone has a current interpreted extent of least 600 m in length and extends at least 100 m down dip, is steeply dipping, and has an apparent thickness of 0.6 to 3.6 m. The zone remains open along strike and at depth and has been tested at wide drill spacings. The grades of drill core intercepts include; 15.2 g/t Au over 0.6 m (in LH-88-01); 5.6 g/t Au over 1.1 m (in LH-88-02); and 4.3 g/t Au over 0.88 m (in LH-88-03), and indicate a fertile environment for mineralization, and therefore, potential to extend to other areas of the property. The zone is coincident with local EM conductors, magnetic trends, and anomalous gold in surface samples, which collectively indicate additional strike potential is present.

The Company carried-out recommended exploration work on the property, which included a Phase I program of prospecting, trenching, mapping, and ground geophysics. Phase II program will focus on diamond drilling which is currently on hold until fundraising efforts are completed. Pursuant to the Black Dog Agreement, the Company will incur the minimum $250,000 exploration expenditures by carrying out Phase I program followed by the Phase II program describe above.

Darren L. Smith, M.Sc., P.Geo., Dahrouge Geological Consulting Ltd., a Permit holder with the Ordre des Géologues du Québec and Qualified Person as defined by National Instrument 43-101, approved the December 15, 2020 update.

As part of the Phase I program, a high-definition ground Magnetometer and Induced Polarization (IP) survey covered the previously drilled Black Dog target which has returned gold geochemical anomalies, and multiple gold intercepts in diamond drilling in previous campaigns.

The Black Dog east extension had a 14 hole diamond drill program which produced these interesting returns, 1.13g/t gold over 1.24 m. and 1.19g/t gold over 0.75 m.

The previous intersections reflect gold in sulphide rich portions of bedded banded iron formation, a style of mineralization that is manifested in many prominent gold deposits such as Musselwhite, Lupin, Cullaton Lake and Meliadine in Canada and the Homestake deposit of South Dakota, USA.

The exploration potential in such Archean iron formations can reach several tens of millions of ounces of gold. The reader is cautioned that the exploration target is conceptual in nature and that there are no known reserves or resources on the subject property, and if discovered there can be no assurance that any such discoveries may be economically produced.

The iron formations are extensive on the Black Dog Lake Project, returning widespread gold geochemical anomalies, gold in outcrops at the initial prospect, and multiple drill hole gold intersections. The renewed geophysical exploration will assess the potential for and design of additional testing of the prospective banded iron formation underlying much of the 1,003 hectare claim block.

The project is accessed from the Quebec highway and all- season road system. Potential power sources are close, and terrain is quite flat and low elevation allowing for efficient exploration and if warranted development.

The January 18, 2021 update was prepared by Dr. Stewart A Jackson, a Qualified Person under National Instrument 43-101, and independent of the Company.

On March 18, 2021, a field crew of two prospectors were mobilized to the property for seven days to locate, explore and rock sample the main target area of Black Dog Lake Gold property. By April 25, 2021, initial exploration rock samples were submitted to the chemical lab in Val d'Or. The best result received by the Company on April 27, 2021 was 6.3 g/t gold, from rock sample # B00376054 from the main Black Dog prospect.

The Black Dog Zone is described as an auriferous (i.e. gold-bearing) horizon of "silicified and carbonatized sulphide facies iron formation." The zone is sheared, banded, and locally brecciated with up to 30% pyrrhotite, 5% pyrite, and trace chalcopyrite, and magnesium-rich carbonate in veinlets and disseminations. The host is a sequence of felsic and mafic volcanics and banded felsic to mafic tuffs. The gold mineralization from the iron formation also contains anomalous zinc and copper.

Numerous gold producers occur within lithologies similar to the sequence described above, most significantly the Homestake Mine in South Dakota, USA, and the Lupin deposit in Canada. (Graton-Sales AIME 1968).

On March 18, 2021, On Track Exploration Ltd. submitted an exploration proposal to the Company on the Black Dog gold target.

On June 24, 2021, a field crew of a geologist and a prospector were mobilized to the property for two days. The Company expected that a comprehensive geological report would be completed soon, based on all previous work on the property, all recent sampling, and the results of the Abitibi geophysical survey are also expected.

The geophysical survey consisted of OreVision® and MAG-GPS. The OreVision® can reveal targets at a greater depth than conventional IP without compromising near-surface resolution. OreVision® technology enables Abitibi Geophysics to read a large number of dipoles spacings along individual survey lines and combine the results into a 3D interpretation. The MAG-GPS survey will be completed immediately prior to the OreVision survey. The OreVision and the Mag-GPS surveys to be conducted by Abitibi Geophysics Inc. will cover the area shown on the map in Image 1 below.

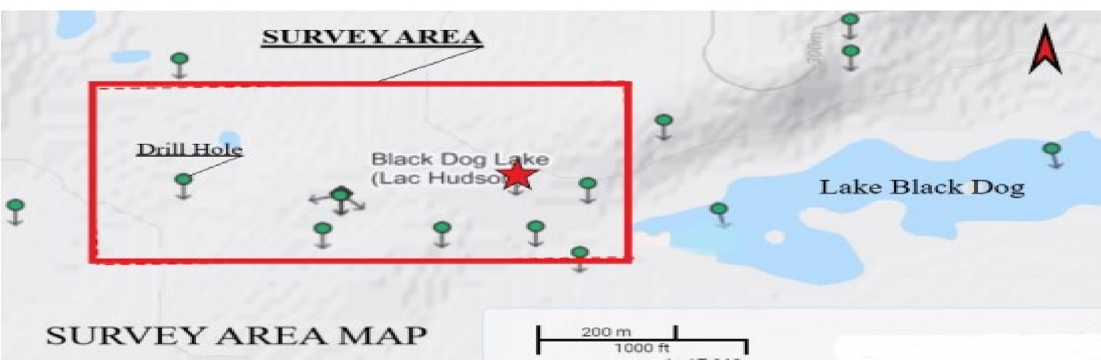


Image 1: Black Dog Lake Property Survey Area Map

The ground geophysical surveys provided new targets for the drilling (See Image 2). The grid yields a 7.2 line-km covering a zone 800 metres long by 400 metres wide grid on 50 metres spaced lines, to capture the easterly trending significant regional structure that controls the Black Dog Lake gold target.

On July 26, 2021, the property owner on behalf of Valorem acquired an additional claim CDC 2615530, located close to the main target area of Black Dog target, which becomes part of the optioned property.

On August 27, 2021, the Company prepared a property renewal application number # 1829165 to be submitted to MRN in Quebec for the purpose of renewing the property for two more years subject to the completion of the 2021 geophysical and the geological surveys.

Image 2: Black Dog Property Target Location Map

On November 18, 2021, the Company added six (6) additional claims adjacent to the Property to the Option without additional consideration paid to the Property owner, other than the payment of the cost of staking. The Property is now comprised of 25 claims for a total of 1,319.4 hectares. The original terms of the Option for the Property, which now includes the additional six (6) claims, remain unchanged.

The Property is located within the Middle and Lower Eastmain Greenstone Belt (the “Eastmain Greenstone Belt”), which is part of the La Grande Subprovince in the James Bay Region of Quebec. The Property hosts the Black Dog Zone, which is described as an auriferous (i.e. gold-bearing) horizon of *“silicified and carbonatized sulphide facies iron formation.”* The zone is sheared, banded, and locally brecciated with up to 30% pyrrhotite, 5% pyrite, and trace chalcopyrite, and has magnesium rich carbonate present as veinlets and disseminations. The zone is hosted in a sequence of felsic and mafic volcanics and banded felsic to mafic tuffs. The gold mineralization from the iron formation is also accompanied by anomalous levels of zinc and copper, and is further described as conductive, magnetic, and stratabound. The best drill result is reported by Eastmain Resources Inc. from their 1988 drill program with 15.2 g/t Au, 22.3 g/t Ag, 0.10% Cu, and 0.52% Zn over 0.6 m (LH-88-01) (Shelp, 1989 - GM49584).

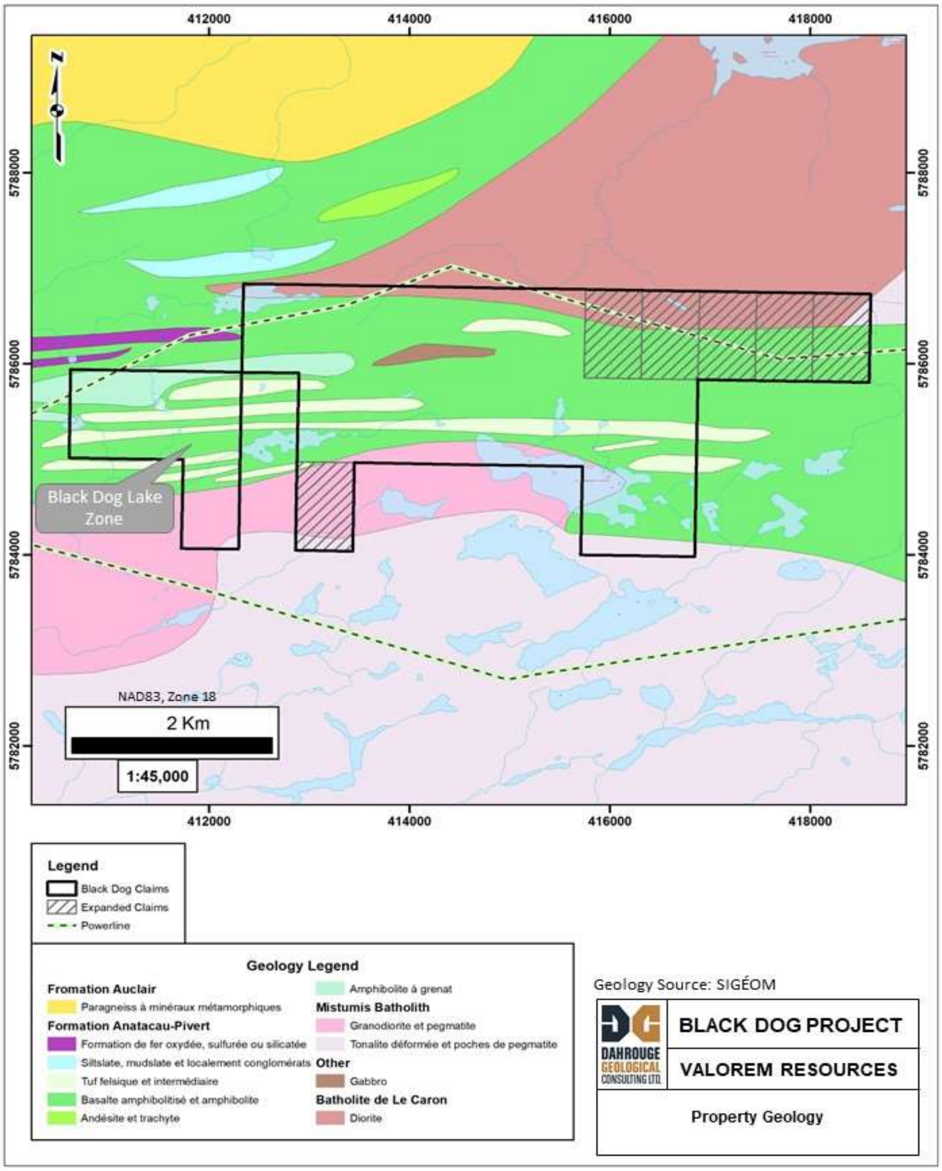


Figure 1: Black Dog Lake Property

The Company filed an updated National Instrument 43-101 technical report for its Black Dog Lake Property with an effective date of November 18, 2021.

Qualified Person: The aforementioned Black Dog Project update has been reviewed and approved by Darren L. Smith, M.Sc., P.Geo., Dahrouge Geological Consulting Ltd., a Permit holder with the Ordre des Géologues du Québec, a Qualified Person as defined under National Instrument 43-101, and independent of the Company.

Wings Shear Property, Newfoundland and Labrador

On January 4, 2021, the Company entered into a mineral property option agreement (the "Wings Shear Agreement"), to acquire a 100% interest in the Wings Shear Property. The property is comprised of 280 claim units covering 7,000 hectares located 32 kilometers northeast of Gander, Newfoundland and Labrador.

Pursuant to the terms of the Wings Shear Agreement, the Company can earn a 100% interest in the Wings Shear Property by making the following payments to the Optionor:

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum exploration requirements
\$45,000 (paid) within 5 business days from the effective date	21,429 shares (issued at fair value of \$123,750) to be issued on same day of 1st cash payment (payment date)	\$250,000 prior to the 1st year anniversary of the effective date (incurred)
Reimburse \$13,130 (paid) of staking fees on the effective date	21,429 shares to be issued 4 months from the payment date (1,071 shares issued at fair value of \$6,188 in prior fiscal year and 20,357 shares issued at fair value of \$306,375 in current fiscal year)	An additional \$500,000 prior to the 2nd year anniversary of the effective date
	42,857 shares (2,143 shares issued at fair value of \$12,375 issued in prior fiscal year and 40,714 issued at fair value of \$206,625 in current fiscal year) to be issued 8 months from payment date	A final \$2,250,000 prior to the 3rd year anniversary of the effective date
	42,857 shares (2,143 shares issued at fair value of \$12,375 in prior fiscal year and 40,714 issued at a fair value of \$64,125 in current fiscal year) to be issued 12 months from payment date	
\$58,130	**128,571 shares**	**\$3,000,000**

The Optionors retain a 2% Net Smelter Return Royalty ("NSR") on any commercial production from the Wings Shear Property. The Company has the right at any time to acquire 1.5% of the NSR for \$1,000,000.

The Company also paid \$4,500 cash, and issued 12,857 common shares valued at \$74,250 as finder's fees for the Wings Shear Property.

As at January 31, 2023, the Company is in negotiation with the above vendor.

Wings Shear Property exploration update

Highlights of the Wings Shear Property include:

- Regional scale land package covering deep seated structural zone parallel to the structural trend underlying Newfound Gold's Queensway Project.
- Greenfield project with drill targets identified.
- No prior drilling completed on the showing.
- The Wings Shear Property has values from grab samples of up to 12.2 g/t Au.
- The Wings' Pond mineralized trend has been traced for a strike length of 1.0 km and channel sampling returned values of up to 9.8 g/t Au over 1.0 metres from the main Wings' Pd showing.
- Additional gold mineralization was found associated with brecciated quartz veins within the Indian Bay-Big Pond Formation. This formation is 14 km long and 1.2 km wide.
- Channel sample from this area assayed up to 1.49 g/t Au, and 0.92 g/t Au over 1.0 m.

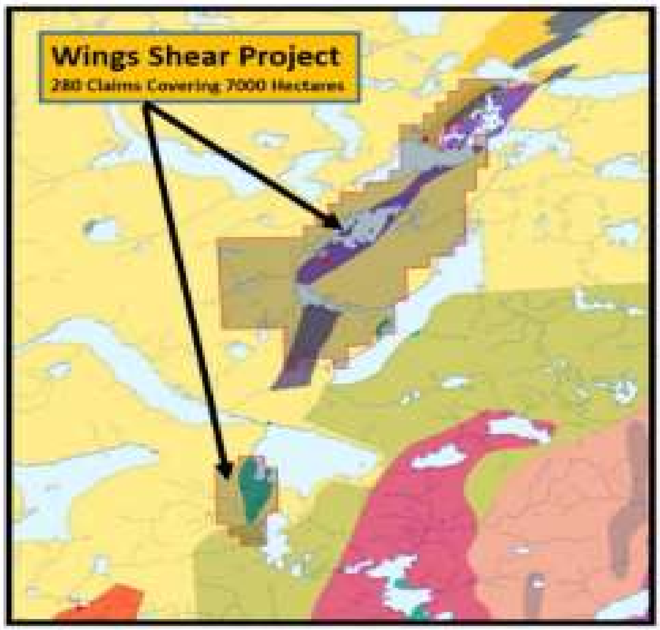
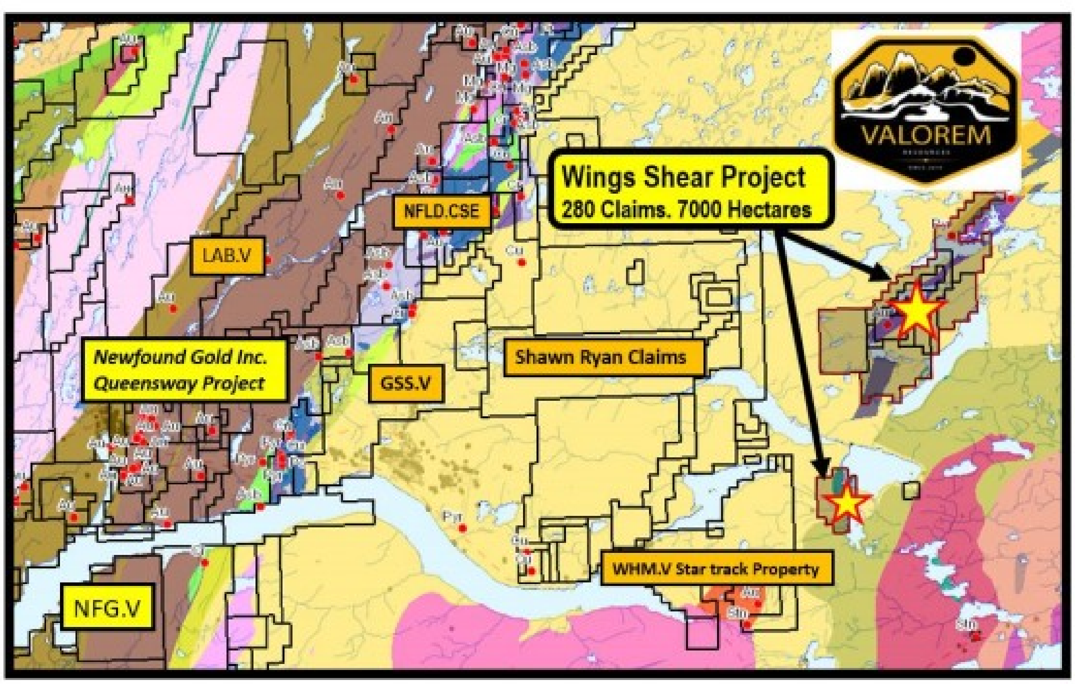


Figure 1: Map showing property geology and mineral occurrences/showing

Note: The data reported here is historic in nature and has not yet been verified by a Qualified Person. Valorem has relied on the information supplied in the NL govt filed assessment reports and from information found in MODS (Mineral Occurrence Data System) published by the Newfoundland Department of Natural Resources. The surface grab samples described in this news release are selective by nature and are unlikely to represent average grades of the property.



Geology

Situated in the Gander Tectono-Stratigraphic Geological Zone, the Property is underlain by the Indian Bay Big Pond and the Johnathan's Pond formations. It hosts the regionally significant Wing's Pond shear zone which extends for 40-km in a north northeast direction and is associated with a number of historic gold showings. The gold is generally associated with arsenopyrite, stibnite, and base metal sulphides hosted in quartz/breccia veins.

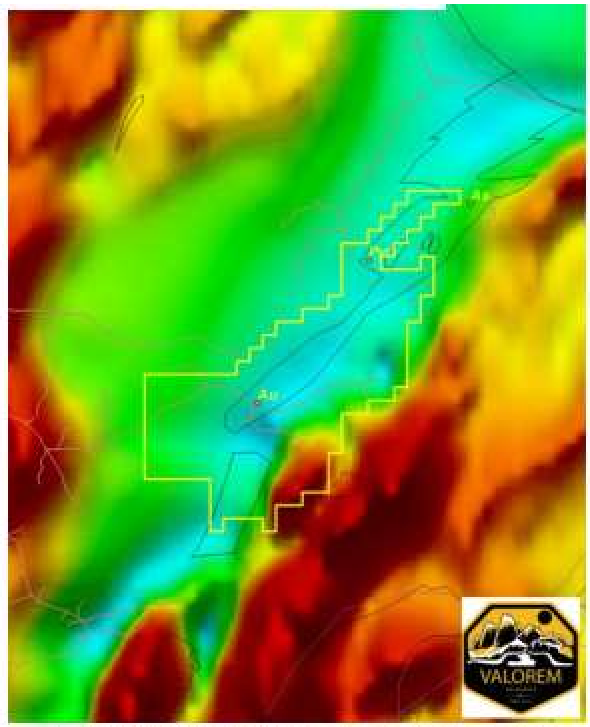


Figure 2: Residual Mag of Prospect area, the eastern mag high boundary is on the property

Local exploration service company Planet X Exploration Services Ltd. was retained through a local group of prospectors as the project operator. The Company looks forward to advancing the property in the near future with the local Newfoundland partnership.

Wayne Reid, P. Geo., a qualified person as defined in National Instrument 43-101, is responsible for aforementioned information.

During the year ended April 30, 2021, the Company received permits to begin exploration work on its Wings Shear property. The scope of the permit provided exploration approval for ground geophysics, geochemical survey, and prospecting on the property.

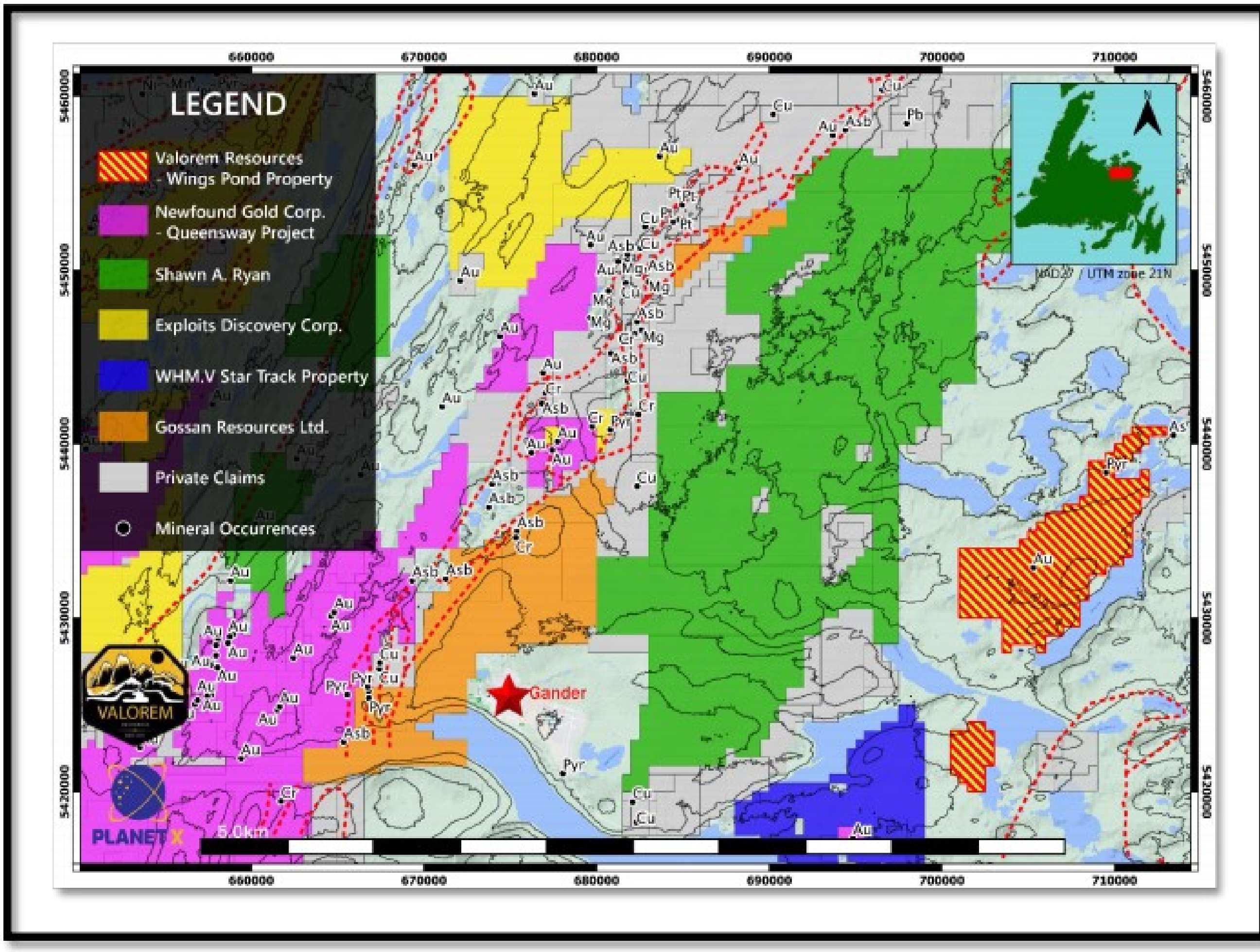
Initial work consisted of geological mapping, prospecting and a preliminary till-sampling program, commissioned through Overburden Drilling Management of Nepean, Ontario. Exploration commenced at the time in preparation for an inaugural drilling campaign later in the year.

Due to limited funds, the diamond drill permitting process on its Wings Shear property has been delayed.

Highlights

- The Company has planned an initial diamond drilling program of 1,000 meters of diamond drilling over 6 holes focusing on the historically trenched and drill-ready Wings Shear Property.
- The drilling program is delayed as the Company is in the process of raising funds to further explore the property.
- Surface sampling has been conducted during the ongoing surface exploration program in 2021, and assays are expected in the near future.
- A till survey consisting of 100 samples approximately ten kilograms in size are currently being collected under the guidance of Dr. Steve Amor P. Geo. The till samples will be processed into heavy-mineral concentrates and examined for gold and other pathfinder indicator minerals by Over Burden Drilling Management.

The Wings Shear Property covers a 1 km zone of enhanced gold potential. This feature is shear-zone hosted (the Wings' Pond Shear Zone).

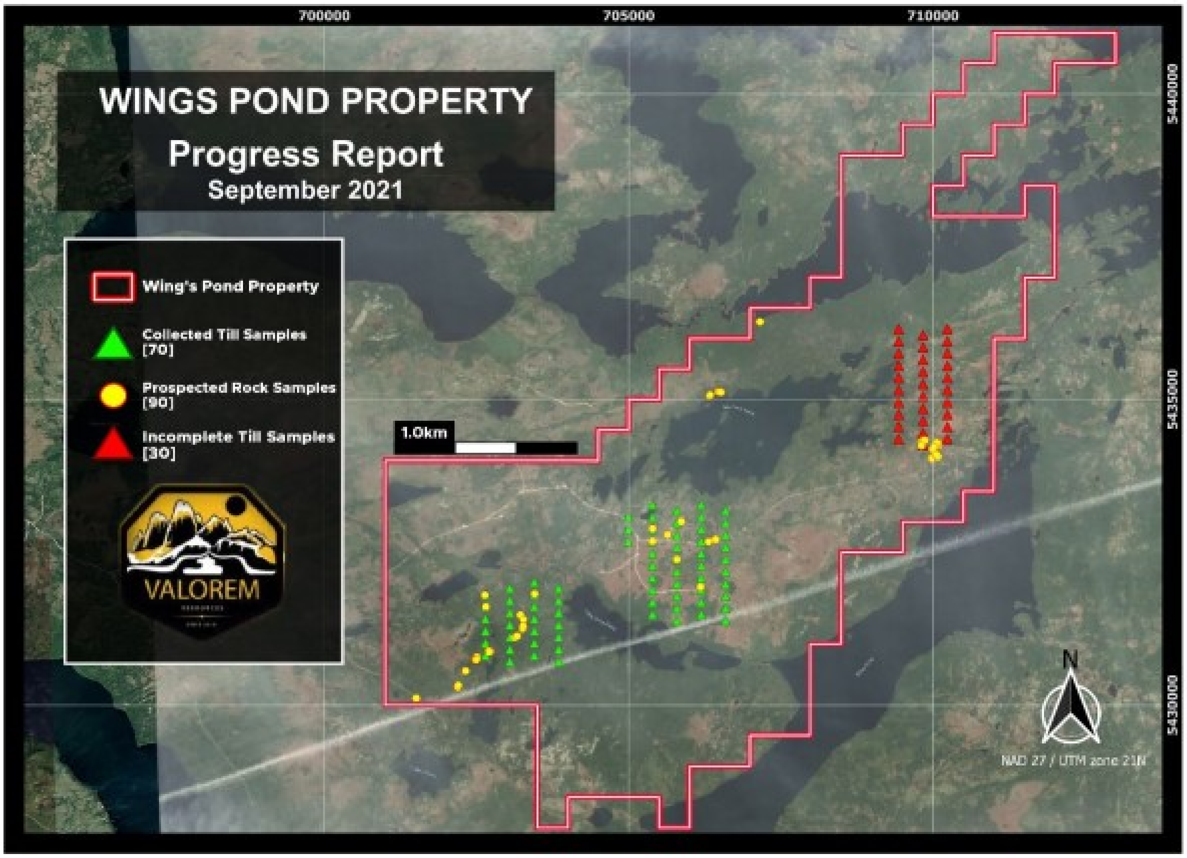


Map1: Gander area mineral licence holders & mineral occurrences

On September 20, 2021, the Company reported that it resumed field exploration and remained on track for a fall drilling program on its Wings Shear property.

Highlights

• Stage one of exploration consisting of prospecting, bedrock mapping and till sampling is ongoing and was set to conclude in the coming weeks.
• 70 of 100 till samples have been collected to date with several unrecorded mineralized zones being observed and sampled.



Map 1: Wings Shear Sample Completion Map Sept 2021

Qualified Person:

Dr. Stephen Amor, PhD, P. Geo., technical advisor to the Company, is the Qualified Person as defined by National Instrument 43-101 who has reviewed and approved the technical data for the Wings Shear Property.

RESULTS OF OPERATIONS

Nine months period ended January 31, 2023

During the period ended January 31, 2023 (“2023”), and the period ended January 31, 2022 (“2022”), the Company recorded a net loss and comprehensive loss of $12,761,717 (2022 - $3,393,668) which is mainly attributed to:

i) Share-based compensation of $Nil (2022 - $1,396,582) was recognized on the grant of Nil (2022 – 125,714) stock options. Each option is exercisable at $10.15 per share until May 27, 2026. All of the options vested upon date of grant. The estimated fair value of the options was $1,396,582 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $10.50; exercise price - $10.15; expected life - 5 years; volatility – 516%; dividend yield - $0; and risk-free rate – 0.90%.
ii) Acquisition and exploration expenditures increased by $10,939,352 from $1,106,665 in 2022 to $12,046,017 in 2023. The increase mainly relates to the acquisition costs of Regency Mining Ltd.
iii) Promotion expenses decreased by $537,993 from $579,046 in 2022 to $41,053 in 2023 as the Company has initiated a cash preservation strategy. In the comparative period, the Company continued on a marketing campaign that commenced in September 2020 to raise investor awareness about the Company.

iv) Professional fees increased to $188,191 from $182,885 in the comparative period. The professional fees consist of $119,392 (2022 - $96,514) for legal services, $18,000 (2022 - $18,000) for CFO fees, $38,789 (2022 - $22,000) for accounting services, $nil (2022 - $41,547) for corporate services $12,000 (2022 - $4,824) for audit fees. In the comparative period, legal fees were the most significant component of professional fees and were primarily attributed to resolving the British Columbia Securities Commission's halt trade order on April 30, 2021. Since the comparative period, the Company has resolved the halt trade order and has resumed trading on the Canadian Securities Exchange. As a result, legal fees decreased since the comparative period.

v) Consulting fees increased to $209,933 (2022 - $88,266) as the Company continues to conduct diligence on the proposed acquisition of Regency Mining Limited and engages advisors and consultants to assist with various facets of operations.

vi) The Company deemed certain payables no longer due, totaling $130,000 (2022 - $Nil).

On May 14, 2022, the Company entered into a Loan Agreement (the "Loan Agreement") with K2 Principal Fund L.P (the "Lender"), whereby the Lender advanced $450,000 (the "Loan") to the Company. The Loan bears interest of 10% per annum, is unsecured and is due on November 15, 2022. During the period ended January 31, 2023, the Company recorded an interest expense of $21,699 (2021 - $Nil) and repaid $250,000 of the principal. On December 22, 2022, the Company issued 764,478 Units with a fair value of $502,652 and settled $200,000 of principal and $21,699 of interest. Each Unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share with an exercise price of $0.29 and expires two years from the date of issuance. The Company recorded a loss on loan settlement of $280,953.

As at January 31, 2023, the Company had no continuing source of operating revenues. The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business and exploration activities.

During the three-month period ended January 31, 2023 ("2023"), the Company recorded a net loss and comprehensive loss of $12,328,599 (2022 - $385,314) which is mainly attributed to:

i) Acquisition and exploration expenditures increased by $11,774,291 from $256,726 in 2022 to $12,031,017 in 2023. The increase mainly relates to the acquisition costs of Regency Mining Ltd.

ii) Consulting fees increased to $102,433 (2022 - $29,886) as the Company continues to conduct diligence on the proposed acquisition of Regency Mining Limited and engages advisors and consultants to assist with various facets of operations.

iii) Promotion expenses decreased to $33,553 from $77,820 in 2022 as the Company has initiated a cash preservation strategy. In the comparative period, the Company continued on a marketing campaign that commenced in September 2020 to raise investor awareness about the Company.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the condensed interim and audited consolidated financial statements:

	Three month period ended January 31, 2023 -$-	Three month period ended October 31, 2022 -$-	Three month period ended July 31, 2022 -$-	Three month period ended April 30, 2022 -$-
Total assets	1,094,944	2,324,849	387,785	56,762
Total liabilities	7,005,822	754,213	1,499,259	1,079,261
Working capital (deficiency)	(3,367,078)	1,570,636	(1,111,474)	(1,022,499)
Shareholders' equity (deficiency)	(5,910,878)	1,570,636	(1,111,474)	(1,022,499)
Net loss and comprehensive loss	(12,328,599)	(63,190)	(88,975)	(95,711)
Loss per share	(0.44)	(0.01)	(0.03)	(0.00)

	Three month period ended January 31, 2022 -$-	Three month period ended October 31, 2021 -$-	Three month period ended July 31, 2021 -$-	Three month period ended April 30, 2021 -$-
Total assets	53,724	100,306	267,342	674,471
Total liabilities	980,512	705,905	625,835	519,303
Working capital (deficiency)	(926,788)	(605,599)	(358,493)	155,168
Shareholders' equity (deficiency)	(926,788)	(605,599)	(358,493)	155,168
Net loss and comprehensive loss	(385,314)	(769,936)	(2,238,418)	(5,635,646)
Loss per share	(0.00)	(0.01)	(0.03)	(0.10)

Total assets increased to $2,324,849 during Q2 ended October 31, 2022 because the Company completed three tranches of private placements, raising net proceeds of $2,745,300. The Company utilized these funds to pay down liabilities and pursuant to the terms of the Letter of Intent with Regency, advanced funds and paid for various expenditures to facilitate the signing of a definitive agreement.

Working capital peaked at $1,570,636 during Q2 ended October 31, 2022. Over the past eight quarters working capital improved primarily as a result of completing private placements. In Q2 ended October 31, 2022, the Company completed a private placement of 17,189,375 Units at $0.16 per Unit for gross proceeds of $2,745,300, net of share issuance costs.

Total liabilities throughout the past eight quarters peaked at $7,005,822 during the quarter ended January 31, 2023. Accounts payable and accrued liabilities of $4,380,472 represent the most significant portion of the total liabilities and $2,543,800 for deferred consideration payable, in which relates to the liabilities assumed on acquisition of Regency Mining Ltd.

The most significant net loss and comprehensive loss during the past eight quarters was $12,328,599, which occurred in Q3 ended January 30, 2023. The main significant increase in net loss and comprehensive loss is due to the acquisition costs of Regency Mining Ltd. during the period.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company may continue to seek capital through various means including the issuance of equity and/or debt.

Net cash used in operating activities was $1,422,397 during the period ended January 31, 2023, compared to $297,257 in the comparative period. Cash used in operating activities was mainly attributed to $12,031,017 (2022 - $219,439) for acquisition and exploration expenditures. For details, please refer to the results of operation.

Net cash provided by financing activities during the period ended January 31, 2023, was $2,185,893 (2022 - $220,505). During the period ended January 31, 2023, the Company received a $450,000 loan that bears interest of 10% per annum and matures on November 15, 2022. The Company repaid $350,000 of the aforementioned loan. In addition, the Company issued common shares and raised gross proceeds of $2,745,300 (2021 - $220,505). The Company also paid a net cash of $659,407 pursuant to the acquisition of Regency Mining Ltd.

Although the Company has successfully completed equity financings in the past, historical transactions are not necessarily indicative of future performance. The Company completed the acquisition of 1286492 and acquired various mineral claims in British Columbia and based on the Company's accounting policy, expensed acquisition and exploration costs. The resulting increase in the Company's overall deficit may impact the Company's ability to finance in the future.

RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. Certain key management personnel provide services through companies that they control. The following transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The following amounts, which are unsecured and non-interest bearing, are reported in accounts payable and accrued liabilities, and related party liabilities:

	January 31, 2023 $	April 30, 2022 $
Tony Louie - Director and Interim CEO	28,500	250,800
Tammy Gillis – CFO**	37,800	24,100
	81,550	274,900

**Amounts are included in accounts payable and accrued liabilities*

***On April 30, 2021, the Company entered into a consulting service agreement with the CFO, whereby the Company agreed to pay $2,000 per month for consulting services.*

Loan payable

On February 12, 2021, the Company assumed debt of $100,000 owed to Eugene Beukman, a former Director of the Company's subsidiary, 1286492. The debt is non-interest bearing, unsecured and due on demand. During the period ended January 31, 2023, the Company repaid this loan in full.

The following are the transactions with related parties during the period ended January 31, 2023, and 2022:

	Nine months ended	
	January 31, 2023 $	January 31, 2022 $
Consulting fees to Tony Louie, Director and Interim CEO	85,500	85,500
Professional fees to Tammy Gillis, CFO	18,000	18,000
	103,500	103,500

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these consolidated financial statements are discussed below:

Usage of the going concern assumption - The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Commodity price risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

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 cash held in bank accounts and other receivables. The Company's cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high-quality financial institutions as determined by rating agencies. Management believes that its credit risk is not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. On January 31, 2023, the Company had a cash balance of $819,536 (April 30, 2022 - $56,040) to settle current liabilities of $4,462,022 (April 30, 2022 - $1,079,260). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Currency risk

The Company currently has minimal foreign exchange risk as it conducts the majority of its business within Canada and in Canadian dollars.

Interest rate risk

The Company does not have any loans. The Company is not currently exposed to significant interest rate risk.

Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The aforementioned exploration and evaluation work will require additional financial resources. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended January 31, 2023.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at the current date, the Company had no off-balance sheet arrangements.

Legal proceedings

As at the current date, management was not aware of any legal proceedings involving the Company.

Outstanding Share Data

As at the date of this report, the Company has 42,924,118 common shares and no preferred shares outstanding.

There are 4,282,857 stock options and 17,977,710 warrants outstanding as of the date of this report.

Contingent liabilities

As at the current date, management was not aware of any outstanding contingent liabilities relating to the Company's activities.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's audited consolidated financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The audited consolidated financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

RISKS AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate are mitigated. The risks and uncertainties described in the Annual MD&A are considered by management to be the most important in the context of the Company's business and are substantially unchanged as of the effective date of this MD&A. Those risks and uncertainties are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations. The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable, especially in today's volatile and uncertain financial markets. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Exploration and Development

Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company and/or its subsidiaries will result in discoveries of commercial metal reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Metal prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Title Risks

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on a stock exchange may be affected by such volatility.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Company and its directors, officers and employees. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, 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 mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

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 capital expenditures or productions costs or reduction in levels of production at producing properties, or requires abandonment, or delays in development of new mining properties.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

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

Directors

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.