GLOBAL LI-ION GRAPHITE CORP.

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

For the six months ended February 28, 2023

INTRODUCTION

Information presented in the Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations of Global Li-Ion Graphite Corp. (the "Company" or "Global Li-Ion") is for the six months ended February 28, 2023. The information contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the unaudited condensed interim consolidated financial statements for the six months ended February 28, 2023 and the audited consolidated financial statements for the year ended August 31, 2022, which are prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A is prepared as of May 1, 2023. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise stated. Additional information is available on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Global Li-Ion or its management, are intended to identify forward-looking statements. Such statements reflect current views of management with respect to future events and are subject to certain known and unknown risks, uncertainties, and assumptions. These statements should not be relied upon. Many factors could cause the actual results, performance, or achievements to be materially different from future results, performance, or achievements that may be expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, or expected. Global Li-Ion does not intend, and does not assume, any obligation to update these forward-looking statements, except as required by securities regulation.

DESCRIPTION OF THE BUSINESS

Global Li-Ion Graphite Corp. was incorporated under the laws of the province of British Columbia on November 6, 2014. The Company's principal business is the exploration and evaluation of mineral resources.

The Company's principal business activity has been the acquisition and exploration of mineral properties. The Company holds interests in certain mineral properties and on the basis of information available to date may not have economically viable reserves. The underlying value of the mineral interests and related deferred exploration expenditures is dependent upon the existence and economic recovery of such reserves in the future, confirmation of the Company's interest in the underlying mineral claims, and the ability to raise long-term financing.

Effective July 11, 2017, the Company completed a corporate name change from "Thelon Diamonds Ltd." to "Global Li-Ion Graphite Corp." and effective July 14, 2017, the Company trades on the Canadian Securities Exchange (the "CSE") under the symbol LION.

On April 4, 2018, the Company entered into and closed a definitive share purchase agreement with Avana Resources Limited ("Avana") for the acquisition of Avana's graphite interests in Madagascar. Pursuant to this agreement the Company acquired 100% of Khensani Limited which owns 100% of Avana Industrial Minerals ("AIM") which entered into an agreement to acquire certain mining permits from the original permit holders.

The Company's corporate office is located at Suite 908 - 510 Burrard Street, Vancouver B.C.

The diverse backgrounds and experience of the Company's management will facilitate the ongoing corporate and exploration growth. The management team will continue to evolve as the Company grows as a mineral exploration company.

Madagascar Graphite Project, Madagascar

On September 13, 2017, the Company entered into a memorandum of understanding ("MOU") with Avana to acquire a 100% interest in Avana's graphite interests in Madagascar. On April 4, 2018, the Company entered into and closed a definitive share purchase agreement with Avana for the acquisition of Avana's graphite interests in Madagascar. Pursuant to this agreement the Company acquired 100% of Khensani Limited which owns 100% of AIM which entered into an agreement to acquire certain mining permits from the original permit holders. The project comprises 3 mining exploitation permits totaling 4,375 hectares (10,811 acres), in the vicinity of Andasibe in Toamasina Province in Madagascar (collectively, the "Property").

Pursuant to the MOU and definitive share purchase agreement to acquire a 100% interest in the Property, the Company will make the following cash and share payments to Avana:

a) US$40,000 within one day of signature of the MOU (paid);
b) US$100,000 within 5 business days of signature of the Definitive Agreement (paid);
c) US$100,000 within 30 business days of signature of the Definitive Agreement (paid);
d) EUR$200,000 to be directed to certain third parties in respect of an agreement to transfer the Property from the original permit holders to AIM (paid);
e) 4,000,000 common shares of the Company within 10 business days of approval by the CSE of the transaction (issued);
f) Upon the Company achieving an annualized production rate from the Property of at least 5,000 tons of graphite oxide per year as calculated on a monthly basis for at least three consecutive months;

a. US$1,000,000 in cash or in common shares of the Company; and
b. The greater in terms of value of either 1,000,000 common shares of the Company or common share of the Company worth US$1,000,000.

The Company also issued 333,797 common shares as a finder's fees.

Neuron Graphite Project, Manitoba

On October 27, 2017, the Company entered into an option agreement to purchase a 100% interest in the Neuron Graphite Project in the Thompson mining district of Northern Manitoba from Callinex Mines Inc. ("Callinex").

The Company may exercise its option to acquire 100% of the Neuron Graphite Project from Callinex by:

a) Paying $200,000 cash (paid) and issuing 1,000,000 common shares (issued) to Callinex within three days of signing the option agreement; and
b) Issuing 1,000,000 common shares to Callinex on the second anniversary of signing the option agreement. On November 7, 2019, the Company agreed to extend the deadline to issue these common shares to Callinex by one full year. In consideration for this extension, the Company issued an additional 250,000 common shares to Callinex valued at $22,500. On October 25, 2020, Callinex and the Company entered into a second amendment agreement to extend the deadline to issue 1,000,000 common shares to Callinex by October 27, 2021. As at the date of this Management Discussion and Analysis, the 1,000,000 common shares had not yet been issued.

The Company also issued 100,000 common shares as a finder's fees.

The Company is also required to issue 3,000,000 common shares to Callinex on the earlier of completing a Preliminary Economic Assessment, Pre-Feasibility Study or Feasibility Study on or before the third anniversary of signing the option agreement. These common shares were due on October 27, 2021, but have not been issued. as the Company is dealing with an ongoing issue on the property.

During the year ended August 31, 2022, the Company impaired the mineral property as the option agreement with Callinex had expired and no new agreement was entered into. The impairment write-down of the property amounted to $1,110,995, resulting in a fair value of $nil remaining as at August 31, 2022.

Lac de Gras, Northwest Territories

The Lac de Gras properties are located approximately 300 km north-northeast of the city of Yellowknife in the Northwest Territories, Canada to the southeast of the Diavik diamond mine.

The Project consists of three mineral leases with an aggregate area of 1,632.91 ha held by a joint venture (JV) between Thelon Diamonds Ltd. (29.46%) and Peregrine Diamonds Ltd. (Peregrine; 70.54%) Subject to a royalty of 4% gross overriding royalty (GOR) on all diamonds and 4% net smelter return (NSR) royalty on all metals, of which 50% of either of these royalties can be purchased for $4,000,000.

In addition to the royalty noted above, royalty payments would also be required to be made to the Government of the Northwest Territories in the event of future production.

In 2017, management wrote down the costs accumulated on the Lac de Gras property to $10,000 as an asset impairment. Management still believes that the property is of merit and warrants continued development, however a lack of activity due to market conditions, necessitated a write down in line with the Company's accounting policy for exploration and evaluation assets.

MVZ Silver-Gold Mine Property, Mexico

During the year ended August 31, 2021, the Company entered into a letter agreement with Grupo Minero Diflor S.A. de C.V., a private Mexican company, to acquire a 100% interest in the MVZ Silver-Gold Mine Property in Chihuahua, Mexico. Subsequently, the Company abandoned the property resulting in an asset impairment loss of $18,615 during the year ended August 31, 2021.

BEGO Technologies Ltd.

On October 24, 2017, the Company entered into a Memorandum of Understanding ("MOU") to acquire an interest in BEGO Technologies Ltd., a private company incorporated in Hong Kong ("BEGO HK"). Under the terms of the MOU, the Company can acquire up to a 16% interest in BEGO HK for US$450,000. BEGO HK has filed a patent application for bio-electrochemical methods and systems for the efficient production of graphene oxide and hydrogen. As at August 31, 2019, the Company has advanced US$175,000 (CAD$232,663) under the MOU. Additionally, under the MOU, the Company can acquire up to a 49% interest in a new entity to be incorporated in the United States to be known as BEGO E-Storage Inc. for US$1,500,000. The funds advanced to date are unsecured, non-interest bearing and without terms of repayment. During the year ended August 31, 2019, the Company determined that the advance to BEGO HK was impaired and recorded a write-down of $232,663 to a carrying value of $Nil.

RESULTS OF OPERATIONS

Three months ended February 28, 2023

The Company's net loss for the three months ended February 28, 2023 was $180,553 (2022: $128,905).

The resulting loss for the three months ended February 28, 2023 increased as a result of a increase in operating expenses mainly in consulting fees and share-based payments related to transactions costs incurred on loans received during the period. In addition, foreign exchange loss of $1,660 compared to a gain of $13,099 during the comparative period related to the translation of US balances and transactions to the Company's presentation currency of Canadian dollars. The increase in operating expenses was partially offset with a decrease in management fees. The Company also reported an unrealized loss of $Nil on its investment in XRApplied whereas in 2022, the Company reported an unrealized loss of $8,000.

(Expressed in Canadian Dollars)

Six months ended February 28, 2023

The Company's net loss for the six months ended February 28, 2023 was $269,420 (2022: $220,194).

The resulting loss for the six months ended February 28, 2023 increased as a result of a increase in operating expenses mainly in consulting fees, general and administrative, and share-based payments related to transactions costs incurred on loans received during the period. In addition, foreign exchange loss of $3,464 compared to a gain of $23,709 during the comparative period related to the translation of US balances and transactions to the Company's presentation currency of Canadian dollars. The increase in operating expenses was partially offset with decrease in management fees. The Company also reported an unrealized loss of $2,000 on its investment in XRApplied whereas in 2022, the Company reported an unrealized loss of $17,000. Overall, the Company has limited its general and administrative expenses in order to preserve cash.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	Revenue $	Net gain (loss) $	Net gain (loss) per share
February 28, 2023	-	(180,553)	($0.00)
November 30, 2022	-	(88,867)	($0.00)
August 31, 2022	-	(1,228,525)	($0.02)
May 31, 2022	-	(65,812)	($0.00)
February 28, 2022	-	(128,905)	($0.00)
November 30, 2021	-	(91,289)	($0.00)
August 31, 2021	-	(125,517)	($0.00)
May 31, 2021	-	(188,309)	($0.00)
February 28, 2021	-	(463,221)	($0.01)

During the quarter ended August 31, 2022, the significant increase in net loss of $1,228,525 was mainly due to the impairment of Neuron Graphite property of $1,110,995.

During the quarter ended February 28, 2021, the significant increase in net loss of $463,221 was mainly due to advertising and promotion cost, consulting fees, and stock-based compensation of $177,281 related to the granting of 1,000,000 stock options to a director and consultant. Each option is exercisable to acquire one common share at $0.245 per common share for a period of 2 years.

LIQUIDITY

As at February 28, 2023, the Company has working capital deficit of $421,511 (August 31, 2022: $405,428).

(Expressed in Canadian Dollars)

During the six months ended February 28, 2023, the Company entered into a promissory note agreement with a third party creditor in the total amount of $50,000. The loans are subject to an interest rate of 25% per annum, unsecured and repayable on June 30, 2023.

On January 18, 2023, the Company closed a non-brokered private placement and issued 5,654,000 units at a price of $0.05 per unit for gross proceeds of $282,700. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one common share at an exercise price of $0.15 per share until January 18, 2024.

The Company does not have any incoming cash flows from operations or any production of mineral resources; accordingly, it must also rely on equity financing to fund operations. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of continued access to any equity funding.

There can be no assurance that future financings will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs. If the Company is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital, and substantial doubt exists regarding the Company's ability to continue as a going concern. The Company has no long term debt, capital lease obligations, operating leases, or any other long term obligations.

PROPOSED TRANSACTIONS

There are no proposed assets or business acquisitions or disposition, other than those in the ordinary course of business, before the board of directors for consideration.

COMMON SHARES OUTSTANDING

As of February 28, 2023 and the date of this report, a total of 68,980,216 common shares were issued and outstanding.

WARRANTS OUTSTANDING

Warrants outstanding at February 28, 2023 and at the date of this report are as follows:

Number of warrants	Exercise price	Grant date	Expiry date
5,654,000	$0.15	January 18, 2023	January 18, 2024
5,654,000	$0.15		

(Expressed in Canadian Dollars)

OPTIONS OUTSTANDING

Options outstanding at February 28, 2023 and the date of this report are as follows:

Number of options	Exercise price	Grant date	Expiry date
2,500,000	$0.12	February 20, 2020	April 10, 2024*
2,500,000	$0.12		

*During the year ended August 31, 2022, the Company reset the expiry date of 2,500,000 stock options exercisable at $0.12 per share and expiring on February 20, 2022 to April 10, 2024.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management includes directors, executive officers and officers of the Company. The Company paid or accrued fees to companies controlled by key management as follows:

	For the six months ended February 28, 2023	For the six months ended February 28, 2022
Administration fees (i)	$ 22,800	$ 22,800
Professional fees (ii)	21,000	21,000
Management and consulting fees (iii)	60,000	85,000
Rent (iv)	6,400	5,600
	$ 110,200	$ 134,400

667981 BC J ROOZ, Bios Energy Corp. Bua Capital Management Ltd., Bua Group Holdings, GRWiNC, Incubara Capital Corp., Swiss EMX and XRApplied are companies with directors in common with the Company. Unless otherwise noted amounts due from and to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

(i) Administration fees paid to BUA Group Holdings
(ii) Accounting fees paid to GRWiNC, a company controlled Geoff Watson, Chief Financial Officer, Corporate Secretary and Director, of the Company
(iii) Management and consulting fees paid to BUA Capital Management Ltd., 667981 BC J ROOZ (a company controlled by John Roozendaal, Chief Executive Officer, President and Director of the Company) and Sam Malin (Director)
(iv) Rent paid to XRApplied

(Expressed in Canadian Dollars)

Amounts due from related parties

	February 28, 2023	August 31, 2022
John Walsh, Director	$ 3,940	$ 3,940
Bios Energy Corp.	2,750	10,250
Swiss EMX	15,968	20,967
XRApplied Technologies Inc.	20,043	12,544
Total	$ 42,701	$ 47,701

Amounts due to related parties

	February 28, 2023	August 31, 2022
Bua Capital Management Ltd.	$ 84,120	$ 79,154
Bua Group Holdings	31,825	23,510
Incubara Capital Corp.	27,484	12,511
667981 BC J ROOZ	5,250	5,250
GRWiNC	11,025	3,675
Sam Malin, Director	242,500	212,500
Total	$ 402,204	$ 336,600

The amount due to Incubara Capital Corp. includes $19,384 which represents outstanding interest on a previous interest-bearing debt that was settled in the year ended March 31, 2019. The interest portion remain unsettled. The debt is presented net of amounts due from Incubara Capital Corp. of $27,484.

These transactions were agreed upon by the board of directors and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

FINANCIAL INSTRUMENTS

Fair value of financial instruments

The carrying values of cash, deposits, amounts receivable, amounts due from related parties, accounts payable and accrued liabilities, subscriptions received in advance, amounts due to related parties and loans payable, approximate their fair values due to the immediate or short-term nature of these instruments.

Fair value hierarchy

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's investments are measured at FVTPL in accordance with Level 1.

FINANCIAL RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has credit risk in the amount of its cash, deposits, amounts receivable and amounts due from related parties, with the carrying amounts of each representing the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash and deposits with major Canadian financial institutions. Management assesses the recoverability of amounts receivable and amounts due from related parties. While management believes that credit risk related to amounts receivable and due from related parties is nominal, there is no guarantee that the amounts will be recovered in full. The Company had not provided an allowance for doubtful accounts against any of the amounts receivable or amounts due from related parties. The Company's exposure to and management of credit risk has not changed materially during the six months ended February 28, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company has a working capital deficit of $421,511 as at February 28, 2023, which includes $12,958 of cash to settle current liabilities of $547,455. Management is assessing various options to raise funds including the issuance of shares and units. The Company closed a private placement of units at $0.05 per unit for 5,654,000 units for total proceeds of $282,700 on January 18, 2023. The Company's exposure to and management of liquidity risk has not changed materially during the six months ended February 28, 2023.

Market risk

Market risk is the risk of loss that may arises from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The other price risk associated with the Company's current investments primarily relates to the change in the market price of the investment in XRApplied common shares. As at February 28, 2023, the Company owns 100,000 common shares. Each common share is fair valued at $0.03 (August 31, 2022: $0.05). A 10% change in the market price of XRApplied common shares would have an impact of approximately $300 (2022: $2,000) on profit or loss. Management believes there is other price risk related to this investment. While the Company will seek to maximize the proceeds it receives from the sale of its investment, there is no assurance as to the timing of disposition or the amount that will be realized. The Company's exposure to and management of other price risk has not changed materially during the six months ended February 28, 2023. While the Company will seek to maximize the proceeds it receives from the sale of its XRApplied Shares on the TSX Venture Exchange, there is no assurance as to the timing of disposition or the amount that will be realized.

Foreign exchange risk arises from fluctuations in the future cash flows of a financial instrument because of changes in foreign exchange rates. The Company is exposed to foreign exchange rate risk on its foreign currency denominated cash, and accounts payable and accrued liabilities. As at February 28, 2023, the Company held US$1,183 cash, and US$29,734 accounts payable and accrued liabilities. As at February 28, 2023, a 10% change in the foreign exchange rate would have impacted profit or loss by approximately $4,000.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, warrants, reserves, and deficit. The availability of new capital will depend on many factors including a positive mineral exploration environment, positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital.

CHANGES IN ACCOUNTING POLICIES

There were no changes to the Company's accounting policies during the six months ended February 28, 2023.

OTHER RISKS AND UNCERTAINTIES

The Company is an exploration stage company with respect to its mineral interests. Based on the information available to date, the Company has not yet determined whether its mineral interests contain economically recoverable reserves. The recoverability of the amounts shown for mineral interests is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development, and upon future profitable production. In conducting its business, the Company is subject to a number of other risks and uncertainties that could have a material adverse effect on the Company's business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company's mineral interests.

Risks associated with exploration stage companies

Exploring for mineral resources involves a variety of operational, financial, and regulatory risks that are typical in the natural resource industry. The Company has not commenced commercial operations and has no proven history of performance, earnings, or success. There is no guarantee that the Company will ever be able to achieve profitable results or successfully execute its business plan. The Company's Common Shares must be considered speculative primarily due to the nature of the Company's business and early stage of development.

The Company has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions, and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of it equity or debt securities or joint venture agreements to raise capital. There can be no assurance that financing, whether equity or debt, will be available to the Company in the amount required by the Company at any particular time or for any period, and that such financing can be obtained on terms satisfactory to the Company.

Exploration and development

At this time, the Company's mineral properties are in the exploration stage and the Company does not have an operating history with respect to its exploration activities. Exploration and development of mineral resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. The amounts attributed to the Company's interest in its properties as reflected in its consolidated financial statements represent acquisition and exploration expenses and should not be taken to represent realizable value. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs which may be affected by a number of factors such as unusual or unexpected geological formations, and other conditions.

Property title

Although the Company believes it has exercised commercially reasonable due diligence with respect to determining title to properties it owns, controls, or has the right to acquire by option, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral interests may be subject to prior unrecorded agreements or transfers or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of the Company's mineral interests which, if successful, could impair development and operations. This situation may be exacerbated due to the large number of title transfers historically involved with some properties.

Licenses and permits

The Company will require licenses and permits from various governmental authorities regarding the Company's mineral interests. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations for its mineral interests. Failure to obtain and maintain such licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration and development work which may result in its losing its interest in the subject property.

Operating hazards and risks

Fires, power outages, labour disputes, flooding, explosions, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labour are some of the risks involved in exploration programs. Unknowns with respect to geological structures and other conditions are involved. Existing and future environmental laws may cause additional expense and delays in the activities of the Company, and may render the Company's properties uneconomic. The Company has no liability insurance and the Company may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure, or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect of the Company's consolidated financial position.

Competition

The mining industry is intensely competitive, and the Company must compete in all aspects of its operations with a substantial number of other corporations which have greater technical and financial resources. The Company may be unable to acquire additional attractive mining properties on terms it considers acceptable.

Profitability of operations

The Company does not have profitable operations at this time and it should be anticipated that it will operate at a loss until such time as production is achieved from its properties, if production is in fact ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Market risks

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. Mineral prices have fluctuated widely in recent years. The marketability and price of minerals which may be produced or acquired by the Company will be affected by numerous factors beyond the control of the Company. These factors include extensive government regulation relating to price, taxes, royalties, allowable production land tenure, the import and export of minerals, and many other aspects of the mining business. Declines in mineral prices may have a negative effect of the Company.

Future financings

If the Company's exploration programs are successful, additional funds will be required for further exploration and development to place a property into commercial production. The Company's available sources of funds are: existing cash; the further sale of equity capital; and the offering by the Company of an interest in its properties to be earned by another party or parties carrying out further exploration or development thereof. There is no assurance such sources will continue to be available on favourable terms or at all. If available, future equity financings may result in dilution to current shareholders.

Coronavirus Global Pandemic Risk

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant effects on the world's equity markets and the movement of people and goods has become restricted. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding. The impact of these factors on the Company is not yet determinable; however, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Going concern

The Company's consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments and further its mineral exploration programs.

ADDITIONAL INFORMATION

Additional information is available on SEDAR at www.sedar.com.