NEXCO RESOURCES INC.
Management Discussion and Analysis
For the nine months ended May 31, 2021

The Management Discussion and Analysis ("MD&A"), prepared July 29, 2021 should be read in conjunction with Nexco Resources Inc.'s (the "Company") unaudited condensed interim financial statements and the accompanying notes for the nine month period ended May 31, 2021 and the audited financial statements and accompanying notes for the year ended August 31, 2020. The unaudited condensed interim financial statements for the nine month period ended May 31, 2021 have been prepared in accordance with IAS 34 and International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Nexco Resources Inc. ("the Company") was incorporated on December 14, 2012 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is suite 750-1095 W Pender Street, Vancouver, British Columbia, Canada. The Company's principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2021, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

Effective August 19, 2020, the Company consolidated all its issued and outstanding share capital on a basis of one post-consolidated share for two pre-consolidated shares. All share and per share amounts in these financial statements have been retroactively adjusted to reflect this share consolidation.

On November 30, 2020, the Company entered into a Letter of Intent ("LOI") with SymptomSense, LLC ("SymptomSense"). Pursuant to the LOI, the Company proposed to purchase all of the issued and outstanding securities of SymptomSense. Upon completion of the transaction, SymptomSense would become a wholly owned subsidiary of the Company and the Company would carry on the business of SymptomSense.

On May 25, 2021, the Company announced that further to the LOI, it has signed a definitive securities exchange agreement (the "Definitive Agreement") with Soter Technologies, LLC ("Soter" or the "Target"), a private arm's length limited liability company incorporated under the laws of the State of New York, and the owners of the Target (the "Vendors") pursuant to which the Company has agreed to purchase all of the issued and outstanding equity securities of the Target (the "Target Securities") from the Vendors (the "Transaction"). Upon completion of the Transaction, the Target will become a wholly owned subsidiary of the Company and the Company will carry on the business of the Target, which includes the business of its subsidiary, SymptomSense, LLC. The Transaction will constitute a Fundamental Change of the Company in accordance with the policies of the Canadian Securities Exchange (the "CSE"). The Company had previously entered into a letter of intent dated November 30, 2020 to acquire only SymptomSense, but the parties have now agreed to acquire Soter, as the parent company to SymptomSense.

Transaction

The Definitive Agreement provides that the Company will acquire all of the outstanding Target Securities from the Vendors in exchange for the issuance of common shares of the Company (each, a "Consideration Share") to the Vendors at a deemed price of $0.25 per Consideration Share as follows: (i) the issuance of 18,266,200 Consideration Shares on the Closing; and (ii) the issuance of up to 38,815,675 Consideration Shares as a post-Closing performance earn-out upon the Company achieving certain business objective and revenue milestones following the closing (the "Closing") of the Transaction. On Closing, the Company will also issue an aggregate of 1,000,000 performance share units to senior executive personnel of the Target that will vest and become exercisable into common shares of the Company (each, a "Share") upon the Company achieving US$20,000,000 in last twelve months revenue following the Closing.

On Closing, the Company has also agreed to: (i) issue an aggregate of 7,233,800 restricted share units ("RSUs") to employees and consultants of the Target and Nexco which will vest and become exercisable into Shares immediately upon the Closing; and (ii) issue an aggregate of 4,184,325 performance share units ("PSUs") to employees and consultants of the Target which will vest and become exercisable into Shares upon the Company achieving certain business objective and revenue milestones following the Closing. The Company has agreed to pay a finder's fee of 1,000,000 common shares in connection with the Transaction. In additional to any escrow conditions imposed by the CSE, all of the Consideration Shares, RSUs and PSUs will be subject to a pooling agreement between the Company and the recipients of such securities providing for the release of such securities as follows: 1/8th on the date that is nine months from issuance (the "First Release Date") and an additional 1/8th every three months after the First Release Date.

Bridge Loan

In connection with the execution of the Definitive Agreement, the Company has agreed to advance a secured bridge loan in the amount of up to US$3,600,000 to the Target (the "Bridge Loan"), which is secured against all present and after acquired property of the Target, and which includes the following terms: an interest rate of 5.0% per annum, commencing on March 31, 2021; (ii) a maturity date (the "Maturity Date") of November 17, 2021; (iii) principal and accrued interest payable on the Maturity Date, with no obligation to make payment of either principal or interest prior to the Maturity Date; and (iv) covenants limiting the Target's ability to use proceeds from the Bridge Loan for purposes other than maintenance of working capital. During the nine months ended May 31, 2021, the Company advanced US$1,200,000 of the Bridge Loan prior to the date of the Definitive Agreement and US$1,100,000 upon execution of the Definitive Agreement. Subsequent to May 31, 2021, the Company advanced an additional USD $350,000 of the bridge loan to the Target. On Closing, the Bridge Loan will be deemed to be an inter-company loan.

Concurrent Financing

As announced on December 31, 2020 and January 20, 2021, the Company completed a non-brokered private placement of units of the Company for aggregate gross proceeds of $3,449,949.90 at a price of $0.15 per unit in connection with the Transaction (the "Bridge Loan Financing"). The net proceeds from the Bridge Loan Financing will be primarily used to advance the Bridge Loan to the Target. The Company also intends to close a concurrent equity financing in one or more tranches in connection with the Closing for minimum aggregate gross proceeds of $6,500,000 (the "Concurrent Financing"). The Company may pay corporate advisory fees by the issuance of up to 12,000,000 securities of the Company in connection with the Concurrent Financing and a post-Closing financing in the event the Concurrent Financing and post-Closing financing result in gross proceeds to the Company in excess of $6,500,000 and $5,000,000, respectively. Upon the Closing, the board of directors of the Company will be comprised of five directors, of which two will be nominees of the Company, two will be nominees of the Target, and one will be a nominee mutually agreed upon by the Company and the Target. In connection with the Closing, the Company is expected to change its name to "Soter Technologies Inc."

Unsecured Convertible Debenture Financing

On June 21, 2021 the Company announced a non-brokered private placement of unsecured convertible debentures (each, a "Debenture") of the Company for total gross proceeds of up to $2,000,000 (the "Offering"). The Debentures will bear interest at 10% per annum, from the date of issuance (the "Closing"), payable upon the earlier of the Maturity Date (as defined below) or the date of any conversion thereof. The Debentures will mature on the date that is one year from the date of issuance (the "Maturity Date").

At the Maturity Date, the outstanding Debentures will automatically convert into units of the Company (each, a "Unit") at the following conversion price: (a) if the Company's previously announced acquisition (the "Transaction") of Soter Technologies, LLC ("Soter Technologies") has not yet closed, $0.225 per Unit (the "Conversion Price"), with each Unit consisting of one common share in the capital of the Company (each, a "Share") and one-half of one non-transferable share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into one Share (each, a "Warrant Share") at a price of $0.75 per Warrant Share for a period of two years from the date of the Closing (the "Closing Date"); and (b) if the Transaction has closed, the greater of: (i) the Conversion Price and (ii) a price (the "Alternative Conversion Price") equal to 75% of the price per security at which equity securities are issued by the Company in the concurrent financing carried out in connection with the Transaction (the "Concurrent Financing Price"). In the event that the conversion occurs at the Alternative Conversion Price, each Warrant will be exercisable into a Warrant Share at a price equal to three times the Concurrent Financing Price. In the event that, prior to the Maturity Date, the Transaction has closed, at the option of a Debenture holder, an outstanding Debenture may be converted into Units at a conversion price equal to the greater of: (i) the Conversion Price; and (ii) the Alternative Conversion Price. In the event that the conversion occurs at the Alternative Conversion Price, each Warrant will be exercisable into a Warrant Share at a price equal to three times the Concurrent Financing Price. The Company intends to close the Offering on or before July 9, 2021. Finder's fees may be paid in connection with the Offering in accordance with applicable laws. The Debentures and the securities issuable upon conversion of the Debentures will be subject to a statutory hold period expiring on the date that is four months and one day after the Closing Date.

On July 20, 2021, the Company announced it has closed the first tranche of its non-brokered private placement of unsecured convertible debentures (each, a "Debenture") of the Company for total gross proceeds of $350,000 (the "Financing"), as previously announced on June 21, 2021. All securities issued in connection with the first tranche will be subject to a hold period expiring November 21, 2021. The proceeds of the Financing are for a bridge loan to Soter Technologies and general working capital. Completion of subsequent tranches of the Financing are subject to the receipt of all required regulatory approvals. In connection with the closing of the first tranche, the Company paid finder's fees in the amount of $28,000 and issued 112,000 broker warrants exercisable at $0.25 for two years, subject to a hold period expiring on November 21, 2021.

The Company had a deficit of $1,326,285 as at May 31, 2021, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

BERGER PROPERTY

	Acquisition costs	Exploration costs	Total
	$	$	$
Balance, August 31, 2020 and February May 31, 2021	30,250	144,345	174,595

Pursuant to an initial and amended option agreements (the "Agreement") dated August 21, 2014 and July 31, 2015, with the Optionor, the Company was granted an option to acquire a 100% undivided interest in the Berger Property (the "Property") which consists of 2 mining claims located in the Kamloops Mining District of British Columbia.

In accordance with the Agreement, the Company has acquired a 100% undivided interest in the Property by issuing a total of 100,000 common shares and making cash payment of $12,000.

The Optionor will retain a 2% Net Smelter Returns ("NSR") royalty on the Property. The Company has the right to purchase the NSR at a purchase price of $1,000,000 per percentage point during the 5 year period commencing from the date upon which the Property is put into commercial production.

Selected Financial Data - Summary of Quarterly Results

The following selected financial information is derived from the unaudited interim financial statements prepared in accordance with IFRS.

	May 31, 2021 $	**Feb 28, 2021 $**	**Nov 30, 2020 $**	**Aug 31, 2020 $**
Revenues	-	-	-	-
General and administrative (expenses)	(89,631)	(185,507)	(151,776)	(52,889)
(Loss) and comprehensive (loss)	(89,631)	(185,507)	(151,776)	(52,889)
Basic and diluted (loss) per share	(0.00)	(0.01)	(0.01)	(0.01)
Working capital (deficiency)	253,766	1,674,166	220,404	117,255
Total assets	3,330,099	3,478,139	406,668	329,385
Non-current liabilities	-	-	-	-

	May 31, 2020 $	**Feb 29, 2020 $**	**Nov 30, 2019 $**	**Aug 31, 2019 $**
Revenues	-	-	-	-
General and administrative (expenses)	(8,269)	(31,897)	(19,282)	(17,119)
(Loss) and comprehensive (loss)	(8,269)	(31,897)	(19,282)	(17,119)
Basic and diluted (loss) per share	(0.00)	(0.01)	(0.01)	(0.01)
Working capital (deficiency)	170,144	178,413	210,310	229,592
Total assets	348,589	368,701	391,887	416,763
Non-current liabilities	-	-	-	-

Three months ended May 31, 2021 compared to Three months ended May 31, 2020

During the three months ended May 31, 2021 the Company reported a net and comprehensive loss of $89,631 (2020 - $8,269). The Company's net and comprehensive loss during the three months ended May 31, 2021 included $48,686 (2020 - $Nil) for consulting fees, $16,842 (2020 – $657) incurred for professional fees, $18,113 (2020 - $4,250) incurred for rent, $905 (2020 - $Nil) for marketing expenses, $3,299 (2020 - $3,320) for transfer agent and filing fees and $1,786 (2020 - $42) for office and general.

The most significant change between periods related to consulting fees, professional fees and marketing which increased in fiscal 2021. These increased fees related to engaging consultants with experience in capital markets, marketing and financings.

Nine months ended May 31, 2021 compared to nine months ended May 31, 2020

During the nine months ended May 31, 2021 the Company reported a net and comprehensive loss of $426,914 (2020 - $59,448). The Company's net and comprehensive loss during the nine months ended May 31, 2021 included $211,161 (2020 - $6,000) for consulting fees, $83,938 (2020 – $17,542) incurred for professional fees, $52,758 (2020 - $19,000) incurred for rent, $5,293 (2020 - $Nil) for interest on short-term loan, $46,765 (2020 - $Nil) for marketing expenses, $17,220 (2020 - $13,072) for transfer agent and filing fees, $2,312 (2020 - $2,571) for travel expenses and $7,467 (2020 - $1,263) for office and general. The most significant change between periods related to consulting fees, professional fees and marketing which increased in fiscal 2021. These increased fees related to engaging consultants with experience in capital markets, marketing and financings.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at May 31, 2021 was $239,717 compared to $146,205 at August 31, 2020. The cash position is expected to last the Company for its next fiscal year.

Financings

On October 16, 2020, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 3,399,000 units (each, a "Unit") in the capital of the Company at a purchase price of $0.075 per Unit for gross proceeds of $254,925.

On December 31, 2020, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 12,423,000 units (each, a "Unit") in the capital of the Company at a purchase price of $0.15 per Unit for gross proceeds of $1,863,450.

On January 20, 2021, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 10,576,666 units (each, a "Unit") in the capital of the Company at a purchase price of $0.15 per Unit for gross proceeds of $1,586,500.

Advances

During the nine months ended May 31, 2021, the Company advanced US$1,200,000 of the Bridge Loan prior to the date of the Definitive Agreement and US$1,100,000 upon execution of the Definitive Agreement. Subsequent to May 31, 2021, the Company advanced an additional USD $350,000 of the bridge loan to the Target.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the nine months ended May 31, 2021, $65,000 was paid to the chief executive officer and $5,000 was paid to a director of the Company, or paid to companies under their control. As at May 31, 2021, there was $Nil owing to any related parties.

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable; and
ii. the inputs used in accounting for share-based payments.

Significant accounting judgments

i. the measurement of deferred income tax assets and liabilities;
ii. the determination of categories of financial assets and financial liabilities; and
iii. the evaluation of the Company's ability to continue as a going concern.

CRITICAL ACCOUNTING POLICIES

<u>Share-based payments</u>

The Company has a stock option plan, which is described in to the financial statements. Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at May 31, 2021 are as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$	$	$	$
Cash	239,717	-	-	239,717

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

FINANCINGS

1) On October 16, 2020, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 3,399,000 units (each, a "Unit") in the capital of the Company at a purchase price of $0.075 per Unit for gross proceeds of $254,925. Each Unit consists of one common share (a "Common Share") of the Company and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to purchase an additional Common Share (a "Warrant Share") of the Company at an exercise price of $0.15 per Warrant Share and expire on October 16, 2023.

2) On December 31, 2020, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 12,423,000 units (each, a "Unit") in the capital of the Company at a purchase price of $0.15 per Unit for gross proceeds of $1,863,450. Each Unit consists of one common share (a "Common Share") of the Company and one half of one transferable Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to purchase an additional Common Share (a "Warrant Share") of the Company at an exercise price of $0.30 per Warrant Share until December 31, 2022. Finder's fees of $149,076.00 were paid and 993,840 brokers' warrants were issued, at an exercise price of $0.20, exercisable until December 31, 2022. The fair value of the brokers' warrants was $175,680 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.2%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

3) On January 20, 2021, the Company completed a non-brokered private placement (the "Private Placement") of units, issuing an aggregate of 10,576,666 units (each, a "Unit") in the capital of the Company at a purchase price of $0.15 per Unit for gross proceeds of $1,586,500. Each Unit consists of one common share (a "Common Share") of the Company and one half of one transferable Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to purchase an additional Common Share (a "Warrant Share") of the Company at an exercise price of $0.30 per Warrant Share until December 31, 2022. Finder's fees of $126,500 were paid and 843,333 brokers' warrants were issued, at an exercise price of $0.20, exercisable until January 20, 2021. The fair value of the brokers' warrants was $149,075 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.2%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

SHARE CAPITAL

Issued

The Company has 35,612,666 (Aug 31, 2020 – 9,214,000) common shares issued and outstanding as at May 31, 2021. As of the date of this report, the Company has 35,612,666 common shares issued and outstanding.

Share Purchase Options

During the nine months ended May 31, 2021, 100,000 stock options were cancelled. As at May 31, 2021 and the date of this report, the Company had nil stock options outstanding.

Warrants

During the nine months ended May 31, 2021, the Company issued 14,898,833 Warrants and 1,837,173 Brokers' Warrants. The following table summarizes warrant transactions:

	Number of warrants	Weighted average exercise price
		$
Outstanding, August 31, 2020	4,269,500	0.20
Issued	16,736,006	0.26
Outstanding, May 31, 2021	21,005,506	0.25

The following table summarizes the warrants outstanding and exercisable as at May 31, 2021 and the date of this report:

Exercise price	Number of warrants	Exercisable	Expiry date
$ 0.20	4,269,500	4,269,500	April 16, 2022
$ 0.15	3,399,000	3,399,000	October 16, 2023
$ 0.30	6,211,500	6,211,500	December 31, 2022
$ 0.20	993,840	993,840	December 31, 2022
$ 0.30	5,288,333	5,288,333	January 20, 2023
$ 0.20	843,333	843,333	January 20, 2023
	21,005,506	21,005,506	

Escrow shares

At May 31, 2021 and at the date of this report there were nil shares held in escrow.

Corporate Governance

The Company's Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board and Audit Committee members are comprised of 3 individuals: Zayn Kalyan, Brandon Rook and Geoff Balderson.

Risk Factors

Exploration and Mining Risks

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of operations will be in part directly related to the cost and success of exploration programs, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. 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 mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labor are involved in mineral exploration, development and operation. We may become subject to liability for pollution, cave-ins or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material, adverse effect on our financial position.

The Company relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

Financing Risks

The Company is currently limited in financial resources, has no sources of operating cash flow and can provide no assurance that additional funding will be available to the Company for any further exploration and/or development. 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.

Regulatory Requirements

Even if mineral properties are proven to host economic reserves of mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits.

The Company may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect our business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

Uninsurable Risks

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.

It is not always possible to fully insure against such risks and the Company has currently decided not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

No Assurance of Titles

It is possible that any of our properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that such licenses and permits as may be required to carry out exploration, development and mining operations at our projects will be granted.

Competition

The mineral industry is intensely competitive in all its phases.

The Company competes with many companies possessing greater financial resources and technical facilities than the Company for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Company may affect the marketability of any substances discovered.

These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing our investment capital.

Environmental Regulations

Operations may be subject to environmental regulations promulgated by government agencies from time to time. 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 imposition 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 manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

Stage of Development

The Company is in the business of exploring for, with the ultimate goal of producing, mineral resources from mineral exploration properties. The Company has not commenced commercial production and we have no history or earnings or cash flow from operations. As a result of the foregoing, there can be no assurance that we will be able to develop any properties profitably or that our activities will generate positive cash flow. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of our management in all aspects of the development and implementation of our business activities.

Markets for Securities

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

Reliance on Key Individuals

Our success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Geopolitical Risks

The Company may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labor relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company cannot be predicted.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements or forward-looking information (collectively "forward-looking statements") within the meaning of applicable securities legislation.

We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements in this MD&A may include, but are not limited to, statements with respect to: (i) the estimation of inferred and indicated mineral resources; (ii) the registration of the concession agreements; (iii) the market and future price of gold or gold equivalent; (iv) the timing, cost and success of future exploration activities, including, but not limited to, the Company's proposed work program and the advancement of its Properties (v) currency fluctuations; (vi) requirements for additional capital; (vii) the Company's ability to continue as a going concern; and (viii) increases in mineral resource estimates. Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in ore reserves, grade or recovery rates resulting from current exploration and development activities, risks relating to changes in the price of gold, silver and copper and the worldwide demand for and supply of such metals, risks related to current global financial conditions, uncertainties inherent in the estimation of mineral resources, access and supply risks, reliance on key personnel, risks inherent in the conduct of mining activities, including the risk of accidents, labor disputes, increases in capital and the risk of delays or increased costs that might be encountered during the development process, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Company's projects may not be available on satisfactory terms, or at all, risks related to disputes concerning property titles and interest, and environmental risks.

Readers are cautioned that the foregoing lists of factors are not exhaustive.

The forward-looking statements in this MD&A are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements contained in this MD&A.