CANADIANMINING CORP.
(Formerly Canadian Zeolite Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the financial year ended March 31, 2018, 2017

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the interim consolidated financial statements and notes thereto for the nine months ended March 31, 2018 of Canadian Mining Corp. (Formerly Canadian Zeolite Corp.) (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of May 17, 2018.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our 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 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 precious and base metals, (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 the state of Arizona 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.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on April 26, 2013 under the name Canadian Zeolite Corp. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties in British Columbia and Arizona, USA. The Company has recently focused on the acquisition of interests in the State of Arizona, USA, through its wholly-owned subsidiary, Canadian Mining Company of Arizona Inc. The Arizona subsidiary was incorporated April 17, 2007 under the name Canadian Mining Company of Arizona Inc. The Company acquired the wholly-owned subsidiary and all of its issued and outstanding shares along with all of its assets as part of the plan of arrangement with the Company's then parent company Canadian Zeolite Corp. ("CNZ"), a publicly traded company.

Canadian Zeolite Corp. and Canadian Mining Corp. entered into an agreement (the "Vend-In Agreement") dated February 17, 2017. Under the terms of the Vend-In Agreement, Canadian Mining issued 5,653,576 common shares to Canadian Zeolite valued at $16,243 in exchange for Canadian Zeolite's 100% interest in Canadian Mining Company of Arizona Inc. (through which Canadian Zeolite holds its interest in the Bullard Pass Project).

On February 17, 2017, Canadian Zeolite and Canadian Mining also entered an Arrangement Agreement (the "Arrangement Agreement"). Under the terms of the Arrangement Agreement, the capital of Canadian Zeolite was reorganized by renaming and redesigning all of the issued and unissued Canadian Zeolite common shares as Class A shares and creating an unlimited number of common shares without par value as the new Canadian Zeolite common shares ("New Canadian Zeolite Common Shares"). Each issued and outstanding Class A share was deemed to be exchanged for one New Canadian Zeolite Common Share and for every five (5) Canadian Zeolite Shares held, one (1) Canadian Mining Share. Each Canadian Zeolite Warrant to the extent it had not been exercised as of May23, 2017, was cancelled and exchanged for one (1) Canadian Zeolite Amended Warrant and for every five (5) Canadian Zeolite Warrants held, one (1) Canadian Mining Warrant rounded down to the nearest whole Canadian Mining Warrant. The Arrangement was approved by the shareholders of Canadian Zeolite on April 28, 2017 and by the Supreme Court of British Columbia on May 1, 2017. As part of the Arrangement, Canadian Mining applied to list its common shares on the TSX Venture Exchange (the "Exchange"). All conditions of the Arrangement were completed as of May 30, 2017. Shares of Canadian Mining will began trading on the TSX Venture Exchange on June 5, 2017 under the symbol "CNG." For further details, please see the related documents of the Company which are available on SEDAR at www.sedar.com.

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The Company currently has one material exploration property, the Bullard Pass Property located in Arizona, USA, the details of which are set out below. The Company has not yet determined whether its property interests contain reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred exploration expenditures are 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 necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.

EXPLORATION ACTIVITY

BULLARD PASS PROPERTY – ARIZONA, USA

In 2007 the Canadian Mining Company of Arizona Inc. staked the DB 1 to 176 mineral claims totalling 3,420 acres and acquired 476.52 acres of Arizona State land under mineral exploration permit #08-111861, for total land holdings of 3,896.52 acres, located in the vicinity of the Harcuvar and Harquahala Mountains, Yavapai County, Arizona (the "Bullard Pass Property"). The Company subsequently reduced its ownership interest in the Bullard Pass Property to 22 claims. The Company has recently staked additional claims to increase the Property to 171 claims. The Company is evaluating the property to determine if further exploration will be performed.

On September 27, 2017, the Company announced it had entered into a letter of intent (LOI) with Crust Resources Corp., a British Columbia-registered company, to acquire a 100-per-cent direct or indirect interest in its operating subsidiary, Care Mining Company Ltd., a company registered in the Republic of Ghana. Upon closing, Canadian Mining shall issue to, or as directed by, Care, up to 4.8 million common shares in the capital of Canadian Mining in exchange for transferring all of the issued and outstanding shares of Care to Canadian Mining. During the quarter-ended December 31, 2017, the Company announced that it had terminated the LOI with Crust Resources Corp.

OVERALL PERFORMANCE

The Company was incorporated on April 26, 2013 and completed the plan of arrangement with its then parent, Canadian Zeolite Corp., on May 30, 2017. The Company began trading on the TSX Venture Exchange (the "Exchange") under the symbol "CNG" on June 5, 2017. As an exploration stage company, the Company has not generated revenues to date from its property and anticipates that it will continue to require equity financing to fund operations until such time as its properties are put into commercial production on a profitable basis. Since the plan of arrangement, the Company holds the Bullard Pass exploration property as a viable business opportunity to increase shareholder value. As a result, the Company incurred costs in connection with the plan of arrangement and costs in connection with claims maintenance of the property. Net loss for the nine-month period ended March 31, 2018 was $1,651,723 compared to $80,571 for the nine-month period ended March 31, 2017. Management intends to concentrate its activities on continued evaluation of the Bullard Pass Property and evaluating other exploration assets for acquisition. Management anticipates that expenses will increase during the foreseeable future as the Company carries out its exploration activities.

SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited selected annual information for the years ended June 30, 2017 and June 30, 2016:

	Year Ended June 30, 2017	**Year Ended June 30, 2016**
	($)	**($)**
Net Income (Loss)	(751,923)	$nil
Basic and Diluted Earnings (Loss) Per Share	$(0.49)	$nil

	As at June 30, 2017	**As at June 30, 2016**
	($)	**($)**
Exploration and Evaluation Assets	16,243	$11,533
Total Assets	1,033,225	$11,533

As a mineral exploration company, the Company has not generated any revenues to date from its property. The Company incurred a net loss of $751,923 during the year ended June 30, 2017 and a net loss of $nil during the year end June 30, 2016, the Company did not incur any exploration costs. During the year ended June 30, 2017, the Company incurred substantial costs in relation to the plan of arrangement of $206,525, which were $nil for the year ended June 30, 2016. As the Company was not active until the completion of the plan of arrangement, the only expenses incurred during the year ended June 30, 2016 was $100 in administration costs. Since operations increased during the year ended June 30, 2017, the Company has started generating additional expenses. Consulting fees for the year ended June 30, 2017 were $107,600, professional fees were $22,140, and exchange filing fees, primarily related to the listing, were $17,305. Share-based compensation was $399,850 in 2017, primarily from the recording of the fair value of 1,200,000 stock options that were granted to Directors and Consultants. There was a gain recorded on foreign exchange transaction during the year of $1,517. The Company anticipates that expenses will rise in connection with the Company's focus on the identification and development of its current and potential future exploration properties. See the discussion under the headings "Liquidity" and "Capital Resources" for more information.

RESULTS OF OPERATIONS

Nine-months ended March 31, 2018

During the nine-month period ended March 31, 2018, the Company incurred a net and comprehensive loss of $1,651,723. The net and comprehensive loss for the period consists of advertising and promotion of $184,113, consulting fees of $294,761, exchange and filing fees of $37,274, professional fees (accounting and legal) of $190,822, office and miscellaneous of $7,365, share-based compensation expenses of $922,246, exploration expenses of $25,142, costs related to the plan of arrangement of $10,941, and a foreign exchange gain of $1,502. Net and comprehensive loss for the three-month period ended March 31, 2018 was $284,737.

During the quarter ended March 31, 2018, the Company did not conduct any field exploration programs. The minimal exploration costs, which were capitalized, consisted of claim maintenance and claim staking. The Company anticipates exploration costs will increase as the properties are developed.

The Company holds one exploration stage mineral property consisting of the Bullard Pass Property as described under the heading "Description of Business". The Company owns 100% of the Bullard Pass claims and has no contractual obligations to perform work on this property.

The Company entered into a memorandum of understanding (the "MOU") with Natural Ventures PR LLC ("Natural Ventures"). Natural Ventures holds various licenses that allow it to legally operate Cannabis business in the U.S. territory of Puerto Rico. The MOU states that, upon completion of the agreement, the Company will pay US$2,250,000 for 62.5% of all the issued and outstanding shares of Natural Ventures. The Company will also loan up to US$750,000 to Natural Ventures as part of a secured promissory note. Subsequent to December 31, 2017, the Company had loaned US$300,000 in connection with the promissory note with the remaining balance to be made available as needed. If the loan is not paid back within the first year, it will accrue interest at 5% per year, calculated annually.

The Company announced the addition of Mr. Mathew Lee as the Company's new CFO. Mr. Lee is a graduate of the University of British Columbia and holds a professional chartered accountant designation. He has held senior financial positions for both public and private companies in various industries but has recently focused his services on consultation to companies specialized in the cannabis industry.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Quarter Ended March 31, 2018 $	**Quarter Ended December 31, 2017 $**	**Quarter Ended September 30, 2017 $**	**Quarter Ended June 30, 2017 $**	**Quarter Ended March 31, 2017 $**	**Quarter Ended December 31, 2016 $**	**Quarter Ended Sept 30, 2016 $**	**Quarter Ended June 30, 2016 $**
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(284,737)	(139,857)	(1,227,130)	(671,532)	(80,571)	Nil	Nil	Nil
Loss per share, basic and diluted	(0.01)	(0.01)	(0.05)	(0.44)	(805.71)	(0.00)	(0.00)	(0.00)

On a quarter-by-quarter basis the loss can fluctuate significantly due to a number of factors including exploration activities during the period, impairment of exploration assets, and the timing of stock option grants.

An analysis of the quarterly results over the last eight quarters shows a significant change in financial performance for the quarters ended September 30, 2017, June 30, 2017, and March 31, 2017. Plan of arrangement costs amounting to $206,525 were incurred during the quarters ended June 30, 2017 and March 31, 2017. Professional fees (legal and accounting) were incurred as the Company completed the transaction and exchange and filing fees were also incurred as the Company listed its shares on the TSX Venture Exchange. During the quarters ended September 30, 2017 and June 30, 2017, the Company recorded expenses in relation to the grant of stock options. As such, stock-based compensation was $922,246 during the quarter ended September 30, 2017 and $322,850 during the quarter ended June 30, 2017. Net loss for the quarter ended March 31, 2018 increased from the quarter ended December 31, 2017 as the Company incurred significant legal fees in association with its new business activities. There were no results of operations during the initial three quarters as the company was inactive.

LIQUIDITY

The Company has not begun commercial production on its resource property and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets. The Company may encounter difficulty sourcing future financing in light of the recent economic downturn.

The Company had cash and cash equivalents of $1,723,066 at March 31, 2018 and $1,016,593 at June 30, 2017. The Company had working capital of $1,992,485 at March 31, 2018 and $662,615 at June 30, 2017.

During the nine months ended March 31, 2018:

a. The Company issued 8,798,944 units at $0.25 per unit for gross proceeds of $2,199,736. Each unit was comprised of one common share and one common share purchase warrant exercisable at $1.00 per common share for a period of two years from the date of closing;

b. The Company issued 127,900 common shares for gross proceeds of $11,511 pursuant to the exercise of warrants; and

c. The Company issued 200,000 common shares for gross proceeds of $50,000 pursuant to the exercise of options.

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements. Due to the overall poor market conditions for junior mineral exploration companies, the Company may find it increasingly difficult to raise the funds required to continue the Company's operations. Share prices have undergone significant decreases and any issuance of the Company's equity securities in the near future may result in substantial dilution to the Company's existing shareholders.

CAPITAL RESOURCES

The Company has no capital commitments in connection with its exploration property. The Company holds 100% interests in the Bullard Pass Property through its wholly-owned subsidiary and is not required to make any expenditure commitments on this property and has no contractual obligations on this property.

The Company will add and or drop claims based on geological merit and as financial resources allow.

Operating Activities

The Company used net cash of $1,352,873 in operating activities during the nine-month period ended March 31, 2018 compared to $40,071 during the nine-month period ended March 31, 2017.

Financing Activities

The Company received $2,101,458 from financing activities during the nine-month period ended March 31, 2018 compared to $63,827 during the nine-month period ended March 31, 2017.

Investing Activities

The Company used net cash of $42,111 in investing activities during the nine-month period ended March 31, 2018 compared to $23,756 during the nine-month period ended March 31, 2017.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Relationships	**Nature of the relationship**

Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the Chief Executive Officer and Chief Financial Officer.

		Management services
Services provided for the period ended December 31, 2017:		
Chief executive officer	$	68,000
Chief financial officer		33,500
	$	101,000

Key management compensation includes:

	Six months ended December 31,			
		2017		**2016**
Management fees and salaries	$	101,000	$	-
Share-based payments		461,123		-
	$	562,123	$	-

During the nine months ended March 31, 2018, the Company had repaid $108,308 (2017 - $nil) to Canadian Zeolite Corp., a company with directors in common.

These transactions were in the normal course of operations and measured at their exchange amounts, being the amounts agreed to by the parties to the transactions.

PROPOSED TRANSACTIONS

On December 18, 2017 the Company signed a Letter of Intent ("LOI") with 1145411 B.C. LTD, a Canadian corporation ("B.C. LTD"), whereby B.C. LTD will become a wholly owned subsidiary of CNG. Upon consummation of the transaction described in this LOI, all of B.C. LTD's assets, liabilities, and business operations (collectively, the "B.C. LTD Business") will become the assets, liabilities, and business operations of CNG, which will constitute a change of business for CNG. B.C. LTD is the owner of 100% of the issued and outstanding capital stock of Bonhomie Labs Inc., a California corporation ("Bonhomie"). Bonhomie is the owner of 51% of the issued and outstanding capital stock of SAP Global, a California corporation ("SAP"). SAP is the holder of various licenses and permits that allow it to legally operate cannabis businesses in the State of California.

With SAP's flagship facility and operations located in Cathedral City, California, SAP will have the legal standing necessary to meet the California state recreational cannabis application requirements, which in turn will facilitate the sale of over-the-counter and holistic cannabis products.

SAP's management team has over 40 years of combined experience in all cannabis verticals, from industrial hemp to genetically modified cannabis strains designed to produce high concentrations of cannabinoids. Moreover, this expertise is being institutionalized into SAP's facility designs and operating procedures and is replicable, scalable, and franchisable.

SAP intends to commence commercial operations and be revenue producing at its Cathedral City facility in the first quarter of 2018 pursuant to its: (i) Conditional Use Permit (No. 17-004), approved and issued as of November 15, 2017; (ii) Medical Cannabis Business Local License for Cultivation (MCL 17-002-C), issued on May 18, 2017; and (iii) Medical Cannabis Business Local License for Manufacturing (MCL 17002-M), issued on July 12, 2016. Upon receipt of the certificate of occupancy for the facility, SAP anticipates the timely approval of the follow-on licenses for delivery and distribution by Cathedral City, California.

B.C. LTD currently has bank balances of approximately $3,600,000 from which it will finance the acquisition of certain operating equipment and working capital for SAP. Additional financing needs beyond the current resources of B.C. LTD. are not anticipated at this time.

As consideration for all of the issued and outstanding shares of B.C. LTD capital stock, CNG will issue and exchange shares of its common stock equal to US$20,000,000 (the "Purchase Price"), which will be payable at Closing with shares of CNG's common stock, (the "Shares"). Issuance of the Shares will be subject to a third-party valuation of B.C. LTD.'s assets. All consideration Shares issued to B.C. LTD will be subject to applicable statutory hold periods and any escrow arrangements and/or pooling agreements required by regulatory authorities.

SUBSEQUENT EVENTS

There were no subsequent events.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting Standards Issued and Effective January 1, 2017 or Later

- IFRS 2 Share-based Payment – classification and measurement of share-based payment transactions (Amendment to IFRS 2);
- IFRS 9 Financial Instruments;
- IFRS 16 Leases;
- IAS 7 Statement of Cash Flows – disclosure initiative (Amendment to IAS 7); and
- IAS 12 Income Taxes – recognition of deferred tax assets for unrealized losses (Amendments to IAS 12).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, promissory note, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the nine-month period ended March 31, 2018 and 2017, the Company incurred the following expenses:

	Nine-month period ended March 31, 2018	**Nine-month period ended March 31, 2017**
Exploration costs	$25,142	$nil
General and administrative costs	$1,636,020	$nil

An analysis of material components of the Company's general and administrative expenses is disclosed in the interim consolidated financial statements for the nine-month period ended March 31, 2018 to which this MD&A relates. An analysis of the material components of the mineral property acquisition costs and mineral exploration costs are disclosed in the notes to the interim consolidated financial statements for the nine-month period ended March 31, 2018 to which this MD&A relates.

The Company had one exploration property during the nine-month period ended March 31, 2018 pursuant to the plan of arrangement with Canadian Zeolite Corp., which completed on May 30, 2017. The Company has 100% interest in the Bullard Pass Property held through its wholly-owned subsidiary.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are listed on the TSX Venture Exchange under the symbol "CNG". The Company's authorized share capital consists of an unlimited number of common shares without par value. As at May 17, 2018 the Company had 26,055,487 common shares issued and outstanding.

Share Purchase Warrants

As at May 17, 2018, the following share purchase warrants were outstanding:

Expiry date	Warrants	Exercise Price
May 26, 2018	11,004,967	0.14
August 3, 2019	8,798,944	0.44
	19,803,911	$ 0.58

Stock Options

As at May 17, 2018, the following stock options were outstanding:

Expiry date	Options	Exercise Price
June 9, 2022	1,000,000	$ 0.25
August 22, 2022	600,000	0.55
	1,600,000	$ 0.36

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

Loss of Interest in Properties

The Company's ability to maintain an interest in the properties optioned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties optioned by the Company, including the Qualifying Property.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that the Company's exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.

The Company intends to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explores the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on its business.

Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has either staked property or entered into property option agreements or joint venture agreements on its existing Project interests, the Company cannot give an assurance that title to such property will not be challenged or impugned. Further, the Company cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

Because the Company's property interests may not contain mineral deposits and because it has never made a profit from its operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.

The Company's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on the Company's current properties or mineral deposits on any additional properties that the Company may acquire. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in the Company.

As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with the Company's competitors for financing and for qualified managerial and technical employees.

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms it considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a company.

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees it must pay to maintain its status in relation to the rights to the Company's properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if it is not successful in earning revenues. The Company will also need further financing if it decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

Risks Relating to the Company's Common Stock

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR at http://www.sedar.com.

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.