ACME LITHIUM INC.

(Formerly HAPUNA VENTURES INC.)

Management Discussion and Analysis of Financial Position and Results of Operations For the Six Months ended March 31, 2021 and 2020

This report is dated May 25, 2021
(the "Report Date")

300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4

Introduction

This Management's Discussion and Analysis is intended to supplement and complement the interim condensed consolidated financial statements of ACME Lithium Inc. (formerly Hapuna Ventures Inc.) ("ACME" or the "Company") for the six months ended March 31, 2021, and the notes thereto (the "Financial Statements"). Readers are encouraged to review these Financial Statements in conjunction with a review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein. The following information should be read in conjunction with the Financial Statements with comparative figures for the period ended March 31, 2020 and for the fiscal year ended September 30, 2020.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Note 3 to the audited financial statements at September 30, 2020 describes the Company's significant accounting policies, as well as new accounting pronouncements not yet effective. During the period ended March 31, 2021, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

All amounts presented in this document are stated in Canadian dollars, except where otherwise noted.

Forward Looking Statements

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. These forward-looking statements are based on, but not limited to, material assumptions including: the raising of additional capital, carrying out work programs on the Company's mineral properties; the ability of the Company to successfully make acquisitions of other mineral property interests; a sufficiently stable and healthy global economic environment; and other expectations, intentions and plans contained in this MD&A that are not historical fact. When used in this MD&A, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in general market conditions. In light of the many risks and uncertainties, readers should understand that the Company cannot offer assurance that the forward-looking statements contained in this analysis will be realized. **Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.**

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Corporate Overview and Description of Business

The Company was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017, as a wholly-owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay"). The address of the Company's corporate office and its principal place of business is 300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4. The Company is domiciled in Canada and commenced trading of its common shares on the Canadian Securities Exchange (the "CSE") on April 28, 2021.

On February 28, 2017, the Company entered into an Arrangement Agreement (the "Agreement") with Kona Bay, ACT360 Media Ltd. ("ACT360") and Bexar Ventures Inc. ("Bexar") for the purposes of carrying out a corporate restructuring by way of a Plan of Arrangement (the "Arrangement" or the "POA") pursuant to Section 288 of the Business Corporations Act (British Columbia).

On December 13, 2017, the POA closed and the online advertising assets were transferred to the Company by Kona Bay and ACT360, and 4,761,199 common shares of the Company were issued to Kona Bay shareholders.

On November 23, 2020, the Company changed its name to ACME Lithium Inc. and changed its principal business from technology to the acquisition and exploration of mineral properties, specifically the FLV Property in Nevada.

On December 29, 2020, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with 1281524 B.C. Ltd. ("Subco") and 1266291 B.C. Ltd. ("Fundco") which closed on December 30, 2020. Pursuant to the Amalgamation Agreement, the following occurred:

(i) Subco and Fundco amalgamated;
(ii) the unit holders of Fundco received an equivalent number of units of the Company; and
(iii) the amalgamated company became a wholly owned subsidiary of the Company.

Each unit consists of one common share and one-half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10 for a period of 24 months. The shares and warrants were issued on January 24, 2021.

Fundco was established by the Company solely for the purpose of raising funds from at least 150 investors and loaning the same to the Company pending closing of the Amalgamation.

On April 28, 2021 the Company's common shares began trading on the Canadian Securities Exchange under the symbol "ACME".

Description of the Business

The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of those properties once acquired.

As at March 31, 2021, the Company has not yet determined whether the properties are economically recoverable. The recoverability of amounts shown for exploration and evaluation properties 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 future profitable production from the properties or realizing proceeds from their disposition.

The Company, formerly operating as Hapuna Ventures Inc., was previously a technology company specializing in digital customer acquisition serving higher education clients.

Potential impact of the Pandemic on Corporate Operations and Activities

During March 2020, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by the governments in which the Company operates regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place. While the extent of the impact is unknown, the Company anticipates this outbreak may adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Mineral Property Interest

FLV Property

On November 9, 2020 the Company entered into a mineral property purchase and sale agreement (the "FLV agreement") with an arm's length party whereby it acquired certain mining claims located in Esmeralda County, Nevada, USA. Under the terms of the FLV agreement, the vendor's right, title and interest in the FLV claims was purchased by paying consideration of $50,000 (paid) and by issuing 100,000 common shares (issued).

On January 14, 2021, the Company issued 100,000 common shares with a fair value of $3,000 to the arm's length party vendor.

Clayton Valley Property

On May 12, 2021, the Company entered into an agreement with an arm's length party to acquire a 100% interest in 64 claims encompassing approximately 1,280 acres, comprising the CC, CCP and SX placer lithium claims (the "Project Claims"), located in Clayton Valley, Esmeralda County, Nevada - the center of lithium development in the United States. The Company may exercise the Option by paying a total of US$278,500 (~CA$336,837 of which US$5,000 or CA$6,416 is already paid as of report date), issuing a total of 5,250,000 common shares (of which 750,000 shares issued at $0.40 market price as of report date), and incurring an approximately total of US$2,750,000 (~CA$3,568,000) in exploration and development expenditures over a four-year period.

Date for Completion	**Cash Payment**	**Common Shares**	**Exploration and Development Expenditures**
Initial Payment	US$ 78,500	750,000	-
First year	50,000	750,000	US$ 250,000
Second year	50,000	750,000	US$ 500,000
Third year	50,000	1,000,000	US$ 1,000,000
Fourth year	50,000	2,000,000	US$ 2,000,000
Total	**US$ 278,500**	**5,250,000**	**US$ 2,750,000**

Summary of Quarterly Results (Unaudited)

	Q2 Mar. 31 2021 $	**Q1 Dec. 31, 2020 $**	**Q4 Sept. 30, 2020 $**	**Q3 June 30, 2020 $**
Sales	-	-	6,223	8,606
Expenses	(17,619)	(64,028)	(32,765)	(63,273)
Net income (loss)	(17,619)	708,133	(26,533)	(54,667)
Comprehensive income (loss)	(17,619)	708,133	(26,533)	(54,667)
Basic earnings (loss) per share	(0.08)	0.13	(0.04)	(0.09)
Diluted earnings (loss) per share	(0.06)	0.09	(0.04)	(0.09)
Total Assets	451,123	469,366	50,601	48,823
Working capital (deficiency)	393,495	411,115	(1,004,818)	(603,600)

	Q2 March 31, 2020 $	Q1 Dec. 31, 2019 $	Q4 Sept. 30, 2019 $	Q3 June 30, 2019 $
Sales	12,948	13,411	20,433	2,501
Expenses	(110,101)	(97,766)	(114,856)	(111,500)
Net income (loss)	(97,153)	(84,355)	(94,423)	(108,999)
Comprehensive income (loss)	(97,153)	(84,355)	(74,962)	(118,710)
Basic earnings (loss) per share	(0.16)	(0.02)	(0.02)	(0.03)
Diluted earnings (loss) per share	(0.16)	(0.02)	(0.02)	(0.03)
Total Assets	53,042	55,249	49,815	41,317
Working capital (deficiency)	(553,795)	(461,503)	(382,063)	(306,303)

Overall Performance and Operational Activities

During the six months end March 31, 2021, the Company had revenues of $Nil (2020: $26,359). The Company incurred net income of $690,514 for the period ended March 31, 2021, as compared to a net loss of $181,508 for the period ended March 31, 2020. Total expenses of $81,647 for the period ended March 31, 2021 (2020 - $181,508).

The increase in income during the period ended December 31, 2020 was primarily due to the gain on settlement of debts pursuant to a debt settlement agreement. The Company settled a total of $1,040,785 of debt pursuant to the agreement. Additionally, total operating expenses were lower than that of the same period in 2020 as the Company effectively changed its operating strategy from digital customer acquisition to exploration and evaluation of mineral properties.

The expenses incurred by the Company during the six months ended March 31, 2021 were primarily direct expenses incurred in business operations and corporate development activities. The most significant elements of the Company's expenses were:

- Accounting and legal expenses of $22,577 (2020: $17,909) went up as the charges for legal, bookkeeping, and accounting services as a reporting issuer were increased during the current period due to activities such as the Amalgamation, CSE listing and private placement financing.
- Advertising and promotion of $5,050 (2020: $20,728) were reduced primarily since the Company changed its strategy and operating industry.
- Consulting fees of $6,244 (2020: $120,000) were reduced because the Company had terminated the standing agreements with Kona Bay and other related parties for consulting services and discontinued their services. The consulting fees incurred in the current year refer to payments for exploration consulting services.
- Interest expense of $4,462 (2020: $10,046) was reduced due to the settlement of the promissory note owed to Kona Bay which occurred during the period.
- Management fees of $15,000 (2020: $30,000) were paid or accrued to a Company controlled by the CFO (See Transactions with Related Parties). Last year's management fees were accrued to Kona Bay to provide administrative services.
- Regulatory and filing fees of $23,140 (2020: $4,679) were incurred as a reporting issuer based on the timing and nature of corporate activities and filings including its application to list on the CSE.

Cash Flow Activities

For the period ended March 31, 2021, the Company experienced a net increase in its cash position of $356,402 (2020 – $7,278). Cash inflows consisted of funds provided by financing activities totaling $709,500 (2020 – $14,800).

The cash inflow is primarily attributed to the share subscription proceeds received relating to the private placements closed on November 27, 2020 and December 30, 2020 (see Liquidity and Capital Resources).

Significant cash outflows consisted of the cash used in operating activities of $303,098 (2020 – $7,522). The cash used in operating activities is greater than that of the same period in 2020 primarily due to the Company settling short-term payable balances.

Cash used in investing activities amounted to $50,000 (2019 - nil) consisting of exploration and evaluation expenditures. The cash used in investing activities is greater than that of the same period in 2020 and is primarily comprised of $50,000 paid to the vendor of the FLV property.

As the Company is a junior exploration company, it has no source of revenue, nor does it anticipate receiving any revenue in the next fiscal year. The Company's interests do not currently generate cash flow from operations and, in order to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new shareholders, third party financing, and cost sharing arrangements to fund its work programs and operations.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the period ended March 31, 2021 resulted in a cash increase of $356,402 (2020: $7,278). As at March 31, 2021, the Company's cash balance was $359,309 (September 30, 2020 - $2,907) and the Company had working capital of $393,495 (September 30, 2020 - deficit of $(1,004,819)).

During the period ended March 31, 2021, the Company paid $50,000 (period ended March 31, 2020 - $Nil) to acquire mineral properties.

On May 18, 2021, the Company announced a non-brokered private placement financing up to 8,000,000 units (the "Units") at $0.40 CAD per Unit for aggregate gross proceeds of up to $3,200,000 CAD (the "Offering"). Each Unit will be comprised of one (1) common share and one-half of one (1/2) transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.60 CAD for two (2) years from closing of the Offering. The Company may pay a cash finder's fee of up to 7% of the gross proceeds raised under the Offering, at the discretion of the Company.

The Company anticipates that additional financing will be required in fiscal 2021, both for working capital purposes and for capital and operating expenditures related to its growth strategies. The Company may be dependent on future equity financings to take advantage of these initiatives.

Transactions with Related Parties

The remuneration of the Company's directors and key management was as follows during the periods ended March 31, 2021 and 2020:

Six months ended	**March 31, 2021**	March 31, 2020
Consulting fees	$ -	$ 60,000
Management fees	**15,000**	30,000
Management salary	**-**	1,953
Accounting fees	**9,649**	9,000
Total related party expenses by type	**$ 24,649**	$ 100,953

(a) Consulting fees of $Nil (2020 - $60,000) were paid or accrued to Vincent Wong, former CEO and director of the Company.

(b) Management fees of $15,000 in the current year were paid to a company controlled by Zara Kanji, the current CFO. Last year, management fees of $30,000 was charged by Kona Bay for management and administrative services.

(c) Management salary of $Nil (2020 - $1,953) was allocated by ACT360 to the Company with respect to the ACT360's VP of Development at that time.

(d) Accounting fees of $9,649 (2020 - $9,000) were paid or accrued to a company controlled by Zara Kanji, the current CFO. Last year's fees were paid to a company controlled by Charles Jenkins, the former CFO of the Company.

Due to related parties	**March 31, 2021**	September 30, 2020
CFO	**$ 3,500**	$ -
Kona Bay	**-**	225,385
Total	**$ 3,500**	$ 225,385

As at March 31, 2021, there was a $626 balance owing (September 30, 2020 - $204,750) to key management personnel for fees and expenses, as reflected in accounts payable. The balance at year end September 30, 2020 was extinguished pursuant to a debt settlement agreement that occurred during the three months ended December 31, 2020 in which a total of $1,040,785 of debt was settled for an aggregate of $166,350.

As at March 31, 2021, the Company owed $3,500 to a company controlled by Zara Kanji, the current CFO. As at September 30, 2020, $225,385 was owed to Kona Bay (a company controlled by the former CEO). The balance due to Kona Bay consisted of expenses incurred by Kona Bay on behalf of the Company.

During the period ended March 31, 2021 the Company entered into a series of debt settlement agreements to extinguish certain of the Company's accounts payable and accrued liabilities and loan balances with related parties. The Company paid a total of $166,350 to settle: (1) $418,950 in accounts payables and accrued liabilities; (2) $225,385 due to Kona Bay; (3) the $12,800 shareholder loan; and (4) the $383,650 promissory note payable, resulting in a gain on settlement of $874,435. The total debt and settlement for each party is as follows:

	Total Debt	**Settlement Amount**	**Gain on Settlement**
Former CEO	$ 217,550	$ 43,510	$ 174,040
Former Consultant	214,200	42,840	171,360
Kona Bay	609,035	80,000	529,035
	$ 1,040,785	**$ 166,350**	**$ 874,435**

Concurrent with the debt settlement, the Company wrote-off the balance due from ACT360 of $45,658 and GST receivables of $8,316 related to certain accrued expenditures.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Changes in Accounting Policies and Critical Accounting Estimates

Note 3 to the audited financial statements for the fiscal year ended September 30, 2020 (available on SEDAR at www.sedar.com) describes the Company's significant accounting policies, as well as new accounting pronouncements not yet effective. During the period ended March 31, 2021, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

Proposed Transactions

As at the report date, there are no proposed transactions which have not been publicly disclosed.

Financial Instruments

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company holds balances in United States dollars which could give rise to exposure to foreign exchange risk. The Company did not have any trade accounts receivable balances in United States dollars as of December 31, 2020 and 2019 and has no sensitivity to a plus or minus 10% change in the foreign exchange rate of the United States dollar to the Canadian dollar that would affect the reported loss and comprehensive loss.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and trade accounts receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company has no trade accounts receivable at March 31, 2021.

The Company has no credit exposure and no credit risk at March 31, 2021 relating to trade accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

Outstanding Share Data

On November 23, 2020, the Company completed a 7:1 share consolidation. All common share and per share amounts in the financial statements are retroactively presented on a post-share consolidation basis, including the number and exercise price of all share warrants.

As at March 31, 2021 and the Report Date, the following table summarizes the outstanding share capital of the Company:

	March 31, 2021	Report Date
Common Shares	26,463,647	27,213,647
Warrants [1]	11,967,857	11,967,857
Total, Fully Diluted	38,431,504	39,181,504

[1]Consists of:

- 142,857 warrants exercisable at $0.70 per share, formerly 1,000,000 warrants exercisable at a price of $0.10 per share until February 21, 2023
- 5,150,000 warrants exercisable at $0.10 per share until November 27, 2022.
- 150,000 warrants exercisable at $0.10 per share until October 9, 2022.
- 6,525,000 warrants exercisable at $0.10 per share until November 27, 2022.

Risks and Uncertainties

An investment in the Company' shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the Reader should carefully consider the following risk factors in addition to the other information contained in this management discussion and analysis. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Limited Operating History

The Company has no history of business or mining operations or production. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration Risk

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Metal Price Risk

Even if the Company's exploration programs are successful in locating economic deposits of minerals or precious metals, factors beyond the Company's control may affect the value and marketability of such deposits. Natural resource prices have wide historic fluctuations due to many factors, including inflation, currency fluctuations, interest rates, consumption trends and local and worldwide financial market conditions. The prices of such natural resources greatly affect the value of the Company and the potential value of its properties. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

Environmental Risk

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transaction with third parties. Such developments could decrease the Company's ability to obtain financing and could expose it to risk that one of its customers or banks will be unable to meet their obligations under agreements with them.

Additional Requirements for Capital

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the levels of operating expenses associated with this growth.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Exchange Rate

The reporting currency of the Company is the Canadian Dollar. A significant portion of the Company's revenues, however, are remitted in United States Dollars and Great Britain Pounds. Future fluctuations in the value of the Canadian Dollar relative to these currencies will likely have a material impact on the Company's overall financial results. Appreciation of the Canadian dollar will decrease revenues and increase expenses.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Directors

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

On December 11, 2020, at the Company's annual general meeting, Stephen Hanson, Vivian Katsuris and Vincent Wong were elected as directors; and the appointment of Stephen Hanson as CEO and Zara Kanji as CFO were subsequently confirmed.

On December 21, 2020, Ioannis (Yannis) Tsitos was appointed as a director of the Company;

On May 10, 2021, Vincent Wong resigned as a Director of the Company.

Current Directors and Officers of the Company are as follows:

Stephen Hanson, President, CEO and Director
Vivian Katsuris, Director
Ioannis Tsitos, Director
Zara Kanji, CFO