AJN RESOURCES INC.

Management's Discussion & Analysis

For the years ended July 31, 2022 and 2021

(Expressed in Canadian dollars, except where noted)

1. EFFECTIVE DATE AND FORWARD-LOOKING STATEMENTS

a) Reporting period and effective date

This Management's Discussion & Analysis ("MD&A") of the financial position and results of operations provides an analysis of the operations and financial results of AJN Resources Inc. ("the Company") for the years ended July 31, 2022 and 2021. This MD&A should be read in conjunction with the audited annual consolidated financial statements ("annual financial statements") of the Company and related notes thereto as at and for the years ended July 31, 2022 and 2021. The financial statements have been prepared in accordance with International Accounting Standards ("IAS") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All financial information has been prepared in accordance with IFRS and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is November 28, 2022 (the "MD&A Date").

b) Forward-looking statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company's plans to explore and evaluate its current mineral claims;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing, pricing, completion, regulatory approval of proposed financings if applicable;

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technology companies specifically;
- the Company's ability to continue to roll out is business plan, which includes new product launches and associated planning in production, sales, distribution and marketing;
- the Company's ability to secure and retain employees and contractors to carry out its business plans;

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. Accordingly, drawing trends from the Company's limited operating history is difficult.

2. DESCRIPTION OF THE BUSINESS

The Company is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on September 1, 2016. On June 12, 2018, the Company listed its shares on the Canadian Securities Exchange ("CSE") and trades under the symbol AJN. The address of the Company's registered and records office and principal place of business is Suite 1400 – 1199 West Hastings St., Vancouver, British Columbia, V6E 3T5 Canada.

During the year ended July 31, 2017, the Company entered into an option agreement dated April 25, 2017 (the "Option Agreement"), and as last amended on October 3, 2017, to acquire a 100% interest in certain claims comprising the Salt Wells Lithium Project (the "Salt Wells Property") located in Nevada, USA, subject to a 4.5% net smelter returns royalty.

On March 23, 2020, the Company incorporated AJN Resources Congo SASU ("AJN Congo") based in the Democratic Republic of the Congo ("DRC" or the "State").

On February 8, 2022, the Company, through its subsidiary AJN Congo, entered into a memorandum of understanding (the "MoU") with the DRC to acquire a number of exploration permits in the highly prospective Kilo Moto Gold Belt in North-East DRC, which hosts Barrick's Kibali Gold Mine. Pursuant to the MoU, the State will transfer a number of prospective exploration permits, mostly within the Kilo-Moto Gold Belt, to AJN Congo. The State will establish a list of all permits which will be made available to the Company, which AJN Congo will have a 60-day period to evaluate and select permits of interest that have been offered by the DRC. The Company will have a further 180 days to conclude legal and technical due diligence. During this period, the Company will assess the mineralized potential of the selected licences and decide which licences are not to be included in the transaction.

Pursuant to the proposed transaction, the Company can secure a direct 100% interest in the selected tenements through an issuance of shares in AJN Congo to the States, representing 60% of the fully-diluted issued and outstanding common shares of AJN Congo immediately prior to the closing of the transaction. The issuance will occur following completion of one or more financings to be conducted in connection with the proposed transaction. The quantum of the capital raise will be assessed during the due diligence period. After the closing of the proposed transaction, the State will have a first right of refusal on any fund raisings carried out by the AJN Congo in the future. Closing of the transaction will be subject to certain conditions including the Company obtaining all necessary governmental and regulatory approvals and confirmation from all relevant government agencies that all outstanding legal charges, royalties, and taxes have been paid.

On closing of the transaction, the Board of Directors of AJN Congo will be comprised of five directors, two of whom will be directors appointed by the State (one of whom will be Deputy Chairman) and three will be current directors of AJN Congo (one of whom will be Chairman).

A 10% finder's fee is payable at the close of the transaction and the acquisition of the projects, which will be settled by the issuance of the Company common shares to Klaus Eckhof, CEO and President of the Company or his permitted nominees.

3. OUTLOOK AND GOING CONCERN

a) Outlook

The Company's primary business is the acquisition and exploration of mineral properties. The Company's exploration and evaluation assets do not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in such deposits being located or, ultimately, a profitable mining operation in the future.

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company's business or ability to raise funds. As of the date of the financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

b) Going concern

The annual financial statements have been prepared on a going concern basis, which assumes the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a net loss of $1,481,240 during the year ended July 31, 2022 (2021 - $1,007,034), has working capital as at July 31, 2022 of $111,173 (July 31, 2021 - working capital of $1,512,983), and has an accumulated deficit as at July 31, 2022 of $5,702,908 (July 31, 2021 - $4,221,668). Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding at terms acceptable to the Company will be available to conduct required exploration and development of its mineral property projects. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. The annual financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern and such adjustments could be material.

4. REVIEW OF OPERATIONS

a) Overall performance and discussion of operations selected information

The selected financial information set out below is based on and derived from the Company's financial statements, which have been prepared in accordance with IFRS.

	Year ended July 31, 2022	Year ended July 31, 2021	Year ended July 31, 2020
	$	$	$
Total operating expenses	**1,346,960**	889,439	2,589,330
Net loss	**(1,481,240)**	(1,007,034)	(2,789,279)
Net loss per share - basic and diluted	**(0.06)**	(0.04)	(0.13)

	As at July 31, 2022	As at July 31, 2021	As at July 31, 2020
	$	$	$
Cash and cash equivalents	**1,241,905**	1,569,307	2,384,496
Total assets	**1,668,589**	1,786,315	2,736,545
Long-term liabilities	**-**	1,069,958	974,990
Total liabilities	**1,353,479**	1,143,597	1,081,396
Share capital	**4,780,310**	3,895,831	3,826,947
Shareholders' equity	**315,110**	642,718	1,655,149

b) Selected quarterly financial information

The following is a summary of the Company's financial results for the eight most recently completed quarters ended July 31, 2022:

Period Ending	**Net Loss**	**Net Comprehensive Loss**	**Basic and Diluted Loss per Share**
	$	$	$
July 31, 2022	**(546,762)**	**(542,994)**	**(0.02)**
April 30, 2022	(546,701)	(545,845)	(0.01)
January 31, 2022	(188,956)	(179,215)	(0.01)
October 31, 2021	(198,821)	(201,054)	(0.01)
July 31, 2021	(266,291)	(268,161)	(0.01)
April 30, 2021	(216,287)	(234,366)	(0.01)
January 31, 2021	(207,199)	(228,138)	(0.01)
October 31, 2020	(317,257)	(321,766)	(0.01)

During the last eight quarters, the Company's net loss has ranged between $188,956 (Q2 2022) and $546,762 (Q4 2022). In the quarter ended January 31, 2022, there was limited activities in the Company, while in the quarter ended July 31, 2022, the higher operating loss was due to significant increases in legal fees pursuant to the MoU with the DRC, and professional fees.

c) Results of operations

Three months ended July 31, 2022 compared to three months ended July 31, 2021

For the three months ended July 31, 2022, the Company had no revenue and a net loss of $546,762, compared to a net loss of $266,291 for the three months ended July 31, 2021, an increase of $280,471. The increase in net loss is primarily related to the exploration expenses of $46,509 (2021 - $nil) for geological exploration, aviation fees and legal costs in the DRC, professional fees of $241,494 (2021 - $103,661) for administrative and legal costs in the DRC, as well as increases in travel expenses from travel undertaken to the DRC rising to $33,187 (2021 - $10,548).

Year ended July 31, 2022 compared to year ended July 31, 2021

For the year ended July 31, 2022, the Company had no revenue and a net loss of $1,481,240, compared to a net loss of $1,007,034 for the year ended July 31, 2021. The increase in net loss is primarily related to the increase in exploration expenses of $148,856 (2021 - $nil) for geological exploration, aviation fees and legal costs in the DRC, professional fees of $492,082 (2021 - $283,230) for administrative and legal costs in the DRC, as well as increases in travel expenses from travel undertaken to the DRC rising to $112,484 (2021 - $25,902), the majority of which occurred in the three months ended July 31, 2022. This was however partially offset by a decrease in consulting fees to $397,990 (2021 - $423,137).

Total liabilities as at July 31, 2022 were $1,353,479 (July 31, 2021 - $1,143,597), representing an increase of $209,882. This increase is mainly due to an increase of $31,403 in accrued interest payable, $105,069 in accretion of the convertible debenture and $73,410 in accounts payable and accrued liabilities.

Shareholders' equity as at July 31, 2022, consists of share capital of $4,780,310 (July 31, 2021 - $3,895,831), reserves of $1,265,596 (July 31, 2021 - $1,008,575), accumulated other comprehensive loss of $27,888 (July 31, 2021 - $40,020) and a deficit of $5,702,908 (July 31, 2021 - $4,221,668) for net shareholders' equity of $315,110 (July 31, 2021 - $642,718).

Working capital (defined as current assets less current liabilities) was $111,173 as at July 31, 2022 (July 31, 2021 - $1,512,983). This is due to the convertible debenture, which matures in April 2023 now being classified as current as it due within 12 months.

The number of common shares outstanding was 28,795,500 at July 31, 2022 (July 31, 2021 - 25,483,000).

5. SUMMARY OF MINERAL PROPERTY INTERESTS

The Company entered into an option agreement (the "Option Agreement") dated April 25, 2017, and as last amended on October 3, 2017, to acquire a 100% interest in certain claims comprising the Salt Wells Lithium Project (the "Salt Wells Property") located in Nevada, USA. Pursuant to the Option Agreement, the Company was obligated to pay for initial filing fees (paid $26,666 (USD$19,125)) and a further USD$7,755 annually. The Company paid $11,106 and $10,755 during the years ended July 31, 2022, and 2021, respectively. The Company was also obligated to complete an exploration development program with a first-year work requirement of USD$60,000 and a second-year work requirement of USD$80,000. As at July 31, 2022, the Company's exploration expenditures have met the work requirements and the Company has made the required annual filing fee payments.

The Salt Wells Property is subject to a 4.5% Net Smelter Return ("NSR") royalty payable to the Vendor. Upon the property attaining commercial production the Company is obligated to pay USD$250 to the Vendor, and has the right to repurchase up to 3.0% of the NSR for USD$1,750,000.

As at July 31, 2022 and 2021, the Company has a deposit of $19,142 towards a reclamation bond held with the Bureau of Land Management of Nevada.

On January 18, 2020, the Company signed an MoU with SOKIMO whereby SOKIMO proposed to obtain from the Company the conversion of its rights to a direct participation in various gold licences held by SOKIMO into shares in the Company. The gold licences are located within the Kilo-Moto gold province in the north-east of the DRC.

On February 8, 2022, the Company announced that it entered into the MoU with the State to acquire a number of exploration permits in the highly prospective Kilo Moto Gold Belt in North-East DRC, which hosts Barrick's Kibali Gold Mine.

Pursuant to the MoU with the DRC, the State will transfer the exploration permits to its wholly owned subsidiary, AJN Congo. Within 15 working days of signing the MoU, the State will establish a list of all permits which will be made available to the Company. The Company will have a 60-day period to evaluate and select all permits of interest that have been offered by the DRC. The Company will have a further 180 days of the signing of the MoU to conclude legal and technical due diligence. During this period, the Company will assess the mineralized potential of the selected licenses and decide which licenses are not to be included in the transaction.

During the year ended July 31, 2022, the Company incurred $148,856 (2021 - $nil) in exploration expenses in relation to the DRC property.

6. LIQUIDITY AND CAPITAL RESOURCES

a) Liquidity

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities for the cash required for property acquisition payments, office and miscellaneous expenses and accounting, audit and legal fees, among other expenses.

During the year ended July 31, 2022, the Company had the following share capital transactions:

- 2,712,500 units were issued at a price of $0.40 per unit for gross proceeds of $1,085,000. Each unit consists of one common share of the Company and one warrant exercisable into one common share of the Company at a price of $0.50 per share for one year.
- 600,000 common shares were issued for gross proceeds of $60,000 on the exercise of stock options.

During the year ended July 31, 2021, the Company had the following share capital transaction:

- 400,000 common shares were issued for gross proceeds of $40,000 on the exercise of stock options.

The Company expects that its cash position of $1,241,905 as at July 31, 2022 will be sufficient for it to become operational to begin meeting its objectives and milestones. Once the Company is operational, it will require additional working capital to increase its growth rate and may seek to raise additional funds via one or more private placements.

b) Cash flows

	Year ended July 31, 2022	Year ended July 31, 2021
	$	$
Net cash used in operating activities	**(1,469,070)**	(770,469)
Net cash used in investing activities	**(11,106)**	(10,755)
Net cash provided by financing activities	**1,141,500**	8,597
Impact of exchange rate changes on cash	**11,274**	(42,562)
Net decrease in cash	**(327,402)**	(815,189)
Cash, beginning of year	**1,569,307**	2,384,496
Cash, end of year	**1,241,905**	1,569,307

The principal change in the Company's cash during the year ended July 31, 2022 was cash used in operating activities of $1,469,070 (2021 - $770,469), which was a product of a net loss of $1,481,240 (2021 - $1,007,034) and the following adjustments for items not affecting cash:

- Amortization of $7,720 (2021 - $7,374);
- Accretion expense of $105,069 (2021 - $94,968);
- Interest expense of $31,404 (2021 - $32,252); and
- A net decrease in non-cash working capital of $132,023 (2021 - increase of $101,971).

During the year ended July 31, 2022, the Company had net cash used in investing activities of $11,106 (2021 - $10,755), attributed to claim fees at the Salt Wells Property.

During the year ended July 31, 2022, the Company had net cash provided by financing activities of $1,141,500 (2021 - $8,597). The Company received $1,081,500 in net proceeds from private placements, and $60,000 from the exercise of stock options.

c) Capital resources

As at July 31, 2022 and 2021, the capital resources of the Company consisted of shareholders' equity and debts are as follows:

	Year ended July 31, 2022	Year ended July 31, 2021
	$	$
Shareholders' equity	**315,110**	642,718
Convertible debentures	**1,175,027**	1,069,958
	1,490,137	1,712,676

As at July 31, 2022, the Company was not subject to any externally imposed capital requirements. The capital resources of the Company decreased to $1,490,137 as at July 31, 2022, from $1,712,676 as at July 31, 2021.

7. TRANSACTIONS WITH RELATED PARTIES

During the years ended July 31, 2022 and 2021, the Company paid the following amounts to directors and officers of the Company:

	Year ended July 31, 2022	Year ended July 31, 2021
	$	$
Consulting fees	**396,462**	323,450
Directors' fees	**42,000**	48,000
Professional fees	**-**	12,450
	438,462	383,900

Amounts due to related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to related parties as at July 31, 2022 and 2021 were $82,243 and $31,360, respectively, and are included in accounts payable and accrued liabilities.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at July 31, 2022 and to the date of this MD&A.

9. INVESTOR RELATIONS

The Company does not have any investor relation agreements as at July 31, 2022 and to the date of this MD&A.

10. PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as at July 31, 2022 and to the date of this MD&A.

11. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Estimated useful life of equipment

The estimated useful life of equipment will impact the amount and timing of the related amortization included in profit or loss.

Estimated fair value of share-purchase warrants

The fair value of share-purchase warrants issued are subject to the limitations of the Black-Scholes Option Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the annual financial statements include, but are not limited to, the following:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

12. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 3 of the annual financial statements, as found on SEDAR at www.sedar.com.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, accounts payables, and convertible debenture. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

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

Credit risk

The Company's primary exposure to credit risk are its cash and cash equivalents of $1,241,905 at July 31, 2022 (July 31, 2021 - $1,569,307) and restricted cash of $128,240 (July 31, 2021 - $nil). With cash deposited with reputable financial institutions and restricted cash held in trust with counsel, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at July 31, 2022, the Company has current liabilities totaling $1,353,479 (July 31, 2021 - $73,639) and cash and cash equivalents of $1,241,905 (July 31, 2021 - $1,569,307) and is exposed to liquidity risk at this time. Since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

The Company is not exposed to significant price or foreign exchange risks and is not exposed to interest rate risk as its convertible debt is payable at a fixed interest rate.

14. OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value. As of the date of this MD&A, the following common shares, stock options and share purchase warrants were outstanding:

	#
Common shares issued and outstanding	**28,795,500**
Stock options	**1,425,000**
Share purchase warrants	**2,712,500**

15. RISK AND UNCERTAINTIES

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The operations of the Company are speculative due to the high-risk nature of its business, which includes the acquisition, financing, exploration, development and operation of mineral and mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, including the more significant risk factors identified by the Company and listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Exploration and Development Risk

Mining exploration, development and operations generally involve a high degree of risk that cannot be eliminated, which can adversely impact the Company's success and financial performance. Exploration for and development of mineral deposits involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. Major expenses are typically required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, among other things, the following:

- the interpretation of geological data obtained from drill holes and other sampling techniques;
- feasibility studies (which include estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed);
- the particular attributes of the deposit, such as size, grade and metallurgy; expected recovery rates of metals from the ore;
- proximity to infrastructure and labour; the ability to acquire and access land; the availability and cost of water and power; anticipated climatic conditions;
- cyclical metal prices; fluctuations in inflation and currency exchange rates;
- higher input commodity and labour costs; and
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries; civil unrest; general economic; market and business conditions; the regulatory process and actions; failure to obtain necessary permits and approvals; technical issues; new legislation; competitive and general economic factors and conditions; the uncertainties resulting from potential delays or changes in plans; the occurrence of unexpected events; and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration and development of copper, gold, and silver projects and properties, including unusual and unexpected geologic formations, seismic activity, rock slides, ground instabilities or failures, mechanical failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of facilities, damage to life or property, environmental damage and possible legal liability.

We are concentrated in the copper/gold/silver mining industry, and as such, the Company's success will be sensitive to changes in, and the Company's performance will depend to a greater extent on, the overall condition of the copper/gold/silver mining industry. The Company's business may be negatively impacted by fluctuations in the copper/gold/silver mining industry generally. We may be susceptible to an increased risk of loss, including losses due to adverse occurrences affecting us more than the market as a whole, as a result of the fact that the Company's projects and properties are concentrated in the copper/gold/silver mining sector.

Current Global Financial Conditions

Market events and conditions can cause significant volatility to commodity prices. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions can increase the levels of volatility in the global stock markets, which can adversely affect the Company's operations and the value and price of the Company's Common shares. The Company is dependent on the equity markets as its main source of operating working capital and the Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects. Access to public financing has been negatively impacted by concerns over global growth rates and conditions. Consequently, equity financing may not be available to the Company in the amount required at any time or for any period or, if available, it may not be obtained on terms satisfactory to the Company.

Permitting

The Company's development and exploration activities are subject to permitting requirements. In particular, comprehensive environmental assessments will be necessary for the project in DRC in order to obtain the necessary approval for each of the project stages, which assessment will be conducted in compliance with DRC regulations. Additional permits, licenses, authorizations, and certificates will be required to proceed to project construction, including, for example, mining water and fuel delivery, sewage water treatment, hazardous waste plans, drilling and closure plans. Failure to obtain required permits and/or to maintain compliance with permits once obtained could result in injunctions, fines, suspension or revocation of permits and other penalties. There can be no assurance that the Company will obtain all such permits and/or achieve or maintain full compliance with such permits at all times. Activities required to obtain and/or achieve or maintain full compliance with such permits can be costly and involve extended timelines. Previously issued permits may be suspended or revoked for a variety of reasons, including through government or court action. Failure to obtain and/or comply with required permits can have serious consequences, including: damage to the Company's reputation; stopping the Company from proceeding with the development of a project; negatively impacting further development of a mine; and increasing the costs of development and litigation or regulatory action against the Company, and may materially adversely affect the Company's business, results of operations or financial condition.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

The Company is earning an interest in the Up Town and Cabin Lake properties through an option agreement or earn-in agreements requiring property payments and acquisition of title to the properties is completed only when the option / earn-in conditions have been met. If the Company does not satisfactorily complete these conditions in the period laid out in the agreements, the Company's title to the related property will not vest and the Company will have to write down its previously capitalized costs related to that property.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Future Offerings of Debt or Equity Securities

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

Corruption and Bribery

The Company is required to comply with anti-corruption and anti-bribery laws, including the Extractive Sector Transparency Measures Act, the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which the Company conducts its business. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company.

Conflicts of Interest

Some of the directors and employees/officers of the Company are or may become directors and employees/officers of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences will be that corporate opportunities presented to a director or employee/officer of the Company may be offered to another Corporation, or companies with which the director or employee/officer is associated, and may not be presented or made available to the Company. The directors and employees/officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest that they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed by the Company's Code of Business Conduct and Ethics and the CBCA.

Uninsurable Risks

Exploration development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

Dependence on Key Personnel

The Company's success will largely depend on the efforts and abilities of certain senior officers and key employees. Certain of these individuals have significant experience in the mining industry and while the Company does not foresee any reason why such officers and key employees will not remain with the Company, if for any reason they do not, the Company could be adversely affected. The Company has not purchased life insurance for any of these individuals.

16. ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.

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