Management's Discussion and Analysis

The following discussion and analysis, prepared by management (the "**MD&A**"), reviews the Company's financial condition and results of operations for the year ended September 30, 2021. This discussion provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available. This discussion contains forward-looking statements that involve certain risks and uncertainties. See also "*Forward-Looking Statements"* and *"Risk Factors"*. This MD&A is current as at January 28, 2022.

Overview

The following information should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2021, together with the notes thereto, prepared by management in accordance with International Financial Reporting Standards and expressed in Canadian Dollars. This MD&A has been prepared by management and reviewed by the audit committee of the board. For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Description of Business

The Company was incorporated on March 29, 2019 pursuant to the provisions of the BCBCA. The Company is a minerals exploration company involved in the exploration and development of mineral projects.

Prophecy entered into an option agreement with Eastfield Resources Ltd. ("Eastfield") whereby Prophecy can acquire a 60% interest in Eastfield's 91.2% Indata Property. In order to earn the 60% interest, Prophecy is required to complete $2,000,000 in exploration work, make cash payments of $250,000 ($65,000 paid) and issue common shares at an aggregate value of $150,000 (176,856 shares valued at $50,000 have been issued) over a period of 5 years. At present none of the Company's mineral properties are at commercial development or production stage.

The Indata property (copper-gold) consists of 16 claims totaling 3,189 hectares located approximately 120 km northwest of Fort St. James BC. It is situated in and adjacent to the Pinchi Fault Zone with the northern boundary being approximately 7 km sour of the southernmost boundary of the Stardust Project and 10 km south of the Central Zone of the Kwanika Deposit. The terrain is flat to hilly with elevations varying from 940 metres to 1,290 metres entirely within a coniferous forest. The Indata property was inaccessible until 1996 when Eastfield constructed an 18 km road. By 2018 loggers had upgraded this road and were conducting clear-cut logging operations in the southern regions of the property where logging operations can occur year round.

Originally staked by Imperial Metals Corporation in 1983 Indata was subsequently sold to Eastfield and has had ongoing exploration since 1987. Two styles of mineralization exist at Indata including lode gold related to splay structures in the Pinchi Fault Zone where results have included drill intercepts of 47.26 g/t gold over 4.0 metres and porphyry copper mineralization where results have included drill intercepts of 0.20% copper over 148 metres and trench results of 0.36% copper over 75 metres. A 1 km long coincident IP chargeability and coincident copper in soil anomaly remains untested. In 1989 a separate area of high-grade copper and copper-gold mineralization was identified in the northeastern sector of the property with only minimal follow-up. Here, a cluster of select grab samples returned a number of high grade results from an open-ended area of approximately 250 m in a north-south orientation (east-west width unknown). Grades can exceed 3.0% copper and 0.50 g/t gold.

Recent success at the Stardust Project by Sun Metals Corp. and Lorraine Copper Corp. including hole 421 with an intercept of 5.0% copper equivalent over 100 metres suggests that undrilled geophysical anomalies (IP Chargeability) occurring in comparable Paleozoic carbonate rocks on the Indata property have significant potential to host similar mineralization.

(All amounts expressed in Canadian dollars, unless otherwise stated)

The Company completed its initial public offering on May 10, 2019 and was listed on the Canadian Securities Exchange on August 9, 2019.

Selected Annual Information

	For the year ended September 30, 2021	For the year ended September 30, 2020	For the year ended September 30, 2019
Working capital	$ 932,727	$ 331,631	$ 480,247
Total assets	1,293,388	525,015	721,104
Total liabilities	91,080	11,720	77,488
Share capital	2,343,401	1,267,920	1,267,920
Deficit	(1,186,394)	(816,625)	(686,304)

Overall Performance

On March 22, 2021, the Company completed a two to one share consolidation. The prior year share and per share figures have been restated to present this consolidation.

On April 30, 2021, the Company completed a non-broker private placement of 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000. Each unit consists of one common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $0.12 per share for a period of 24 months. The Company paid $13,166 of share issue costs in connection with this private placement.

During the year ended September 30, 2021, 159,737 broker warrants priced at $0.20 were exercised for total gross proceeds of $31,948.

During the year ended September 30, 2021, 126,856 common shares with a fair value of $40,000 were issued to Eastfield in connection with the Indata Property.

Financial Performance

The statements of financial position as at September 30, 2021 indicated total assets of $1,293,388 of which $1,006,724 comprised of cash, $17,083 of prepaid expenses, and the remainder balance was for its exploration and evaluation asset.

At September 30, 2021, current liabilities totaled $91,080 (2020 - $11,720).

At September 30, 2021, the Company had a working capital of $932,727. Management's short-term plans are to fund the Company's day-to-day operations through equity or, to a minor extent, debt financing.

Shareholders' equity was comprised of share capital of $2,343,401 and reserves of $45,301 and a deficit of $1,186,394 for a net equity of $1,202,308.

The weighted average number of common shares outstanding for period ended September 30, 2021, was 15,256,049.

The Company is an exploration stage company and engages principally in the acquisition, exploration and development of mineral properties. The Company capitalizes, on a property by property basis, all acquisition and exploration costs until the property to which those costs are related is placed into production, sold, or abandoned. The decision to abandon a property is largely determined based on exploration results and management's judgment as to whether the property may be used in a potential transaction with another exploration or mining company.

None of the Company's properties are in production. Therefore, mineral exploration expenditures are capitalized and losses are incurred as a result of general exploration and administrative expenses relating to the operation of the Company's business. Consequently, the Company's net income is not a meaningful measure of its performance or potential.

The key performance drivers for the Company include securing the best geological expertise it can, and acquiring and developing high potential prospective mineral properties. By hiring highly qualified staff and acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

(All amounts expressed in Canadian dollars, unless otherwise stated)

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations. For information concerning the business and properties of the Company, please see "*Description of the Business*" and "*Mineral Properties*".

Additional financing will be required for new exploration and promotional initiatives. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

Mineral Property Project

Indata Property, British Columbia, Canada

The Company has entered into an agreement with Eastfield Resources Ltd. ("Eastfield") whereby it obtained the option to acquire an undivided 60% interest in Eastfield's 91.2% - owned Indata copper-gold property ("Indata Property") located 120 kilometres northwest of the community of Fort St. James, British Columbia. The Indata Property comprises 16 mineral claims totaling 3,189 hectares. The residual 8.8% interest in the Indata Property is held by Imperial Metals Corporation. Eastfield and the Company have a director in common.

To earn the 60% interest, the Company is required to complete $2,000,000 in exploration work, make cash payments of $250,000 ($65,000 paid) and issue common shares at an aggregate value of $150,000 (176,856 shares valued at $50,000 issued) over a five -year term. An aggregate $2,000,000 exploration program is required to be completed over a five-year term.

	Indata Property
	$
Balance at September 30, 2019	**163,369**
Geological	18,295
Balance at September 30, 2020	**181,664**
Acquisition costs	65,000
Geological	22,917
Balance at September 30, 2021	**269,581**

Results of Operations

For the Three and Twelve Months Ended September 30, 2021

During the three and twelve month periods ended September 30, 2021, the Company reported a net loss of $102,321 and $369,769, respectively, compared to a net loss of $55,171 and $130,321 for the same periods in fiscal 2020. The increase in the net loss for the three-month period ended September 30, 2021 compared to 2020 was the result of the increase in consulting fees of $37,858, increase in office and administration expense of $15,627 mainly resulting from an increase in rent, an increase in regulatory and filing expense of $13,436 resulting for the fees paid to the transfer agent. This was offset by a decrease in professional fees of $21,138 resulting in lower charges for legal resulting from lower general corporate matters. For the year ended September 30, 2021, the increase in net loss is attributed to the increase in office and administration of $50,007 mainly resulting in rent, an increase in marketing and investor relations of $26,250 from website development, increase in consulting fees of $135,245 from increase in consultants due to increased activity of the Company, increase in regulatory and filing fees of $12,758 due to higher fees paid to the transfer agent.

Revenue

During the period ended September 30, 2021 and 2020, the Company did not earn any revenue.

Operating Expenses

During the period ended September 30, 2021, the Company recorded operating expenses of $369,769. The largest factors contributing to operating expenses were office and administration of $69,443, marketing and investor relations of $26,250, consulting fees of $151,174, professional fees of $87,467, and regulatory and filing fees of $32,933. All of these are discussed above.

(All amounts expressed in Canadian dollars, unless otherwise stated)

As the Company's current operations do not generate revenues, the Company will continue relying on equity and debt financing in order to meet its ongoing day-to-day operating requirements. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time, or, if available, that it can be obtained on terms satisfactory to the Company.

Summary of Quarterly Results

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
	$	$	$	$	$	$	$	$
Net (loss) income	(102,321)	(105,548)	(60,003)	(101,897)	(55,171)	(25,110)	(34,212)	(15,828)
Basic/Diluted (loss) income per share	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	1,293,388	1,305,97	386,717	423,445	527,967	572,658	595,952	658,758

Liquidity and Capital Resources

The Company is an exploration stage company and therefore has no regular cash inflows. The Company's mineral properties are located in British Columbia. The investment in these properties, which are categorized as capitalized mineral property costs, together with cash, represent the bulk of the Company's asset base. Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements

The Company has a working capital surplus of $932,727 as at September 30, 2021. The working capital is comprised of current assets of $1,023,807 and current liabilities of $91,080.

Current assets are comprised of cash of $1,006,724, resulting from the issuance of common shares offset by payment of operating expenses and prepaid expenses of $17,083 resulting from the payment for a US listing annual filing fee and prepaid rent and consulting fees.

Current liabilities is the result of accounts payable of $91,080 resulting from the timing of vendor payments.

Contractual Obligations

A summary of the Company`s contractual obligations at September 30, 2021, is detailed in the table below.

Payments Due by Period				
		Total		**Less than a year**
Accounts payable and accrued liabilities	$	91,080	$	91,080
Total	**$**	**91,080**	**$**	**91,080**

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no 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.

Significant Accounting Policies and Critical Accounting Estimates

All significant accounting policies and critical accounting estimates are fully disclosed in Note 2 of the audited financial statements for the year ended September 30, 2021.

Financial Instruments

	Level	September 30, 2021	September 30, 2020
		$	$
Cash	1	1,006,724	337,432

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

(All amounts expressed in Canadian dollars, unless otherwise stated)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

Outstanding Share Data

As of the date of this report, the Company had the following securities issued and outstanding:

Type	Amount
Common shares[1]	31,253,293
Warrants	27,888,000
Options	280,000

(1) *Authorized: Unlimited common shares without par value.*

Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published. All are not applicable or will not have a significant impact to the company and have been excluded.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

During the year ended September 30, 2021, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

- Paid or incurred consulting fees of $57,750 (2020 - $Nil) to a company controlled by a director of the Company. As at September 30, 2021, $47,250 (2020 - $Nil) was included in trade and other payables owing to this company.
- Paid or incurred consulting fees of $10,000 (2020 - $Nil) to a director of the Company.
- Paid or incurred exploration and evaluation asset expenses of $22,917 (2020 - $21,247) to a company controlled by a director of the Company.
- Paid or incurred exploration and evaluation asset expenses of $25,000 (2020 - $Nil) and issued 126,856 shares with a fair value of $40,000 (2020 - $Nil) to a company controlled by a director of the Company.

All related party amounts were incurred in the normal course of operations, bear no interest and have no fixed terms of repayment.

Subsequent Events

- On December 6, 2021, the Company issued a total of 10,080,000 units, of which 4,205,000 were flow-through units at $0.15 and 5,875,000 were non-flow-through units at $0.15, for aggregate gross proceeds of $1,512,000. Each flow-through unit consists of one common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $0.25 per share for two years. Each non-flow-through unit consists of one common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $0.25 per share for two years.

- On January 13, 2021, the Company entered into an agreement with Northwest Copper Corp. ("Northwest") and Eastfield, the property titleholder, whereby it was assigned Northwest's option to acquire a 100% interest in the Okeover Copper Project (the "Okeover Project") located in British Columbia. The Okeover Project comprises 12 mineral claims totaling 4,614 hectares. To earn the 100% interest, the Company is required:

  (a) to issue common shares to Northwest as follows:
    (i) common shares with a value of $250,000 on the closing date;
    (ii) additional common shares with a value of $500,000 on or before the first anniversary of the closing date;
    (iii) additional common shares with a value of $750,000 on or before the second anniversary of the closing date; and
    (iv) additional common shares such that Northwest holds 10% of the Company's issued and outstanding common shares on the date prior to such issuance on or before third anniversary of the closing date.

  (b) to incur expenditures of not less than $5,000,000 as follows:
    (i) $500,000 on or before the first anniversary of the closing date;
    (ii) an additional $1,500,000 on or before the second anniversary of the closing date; and
    (iii) an additional $3,000,000 on or before the third anniversary of the closing date.

  Northwest retains a 2% net smelter return ("NSR") royalty, half of which may be bought back by the Company at any time prior to commencing commercial production for $1,000,000.

- On January 13, 2022, the Company granted 1,900,000 stock options at an exercise price of $0.60 per share to certain directors, officers and consultants. The options expire two years from the date of grant.

- One director resigned from the Company's board, and the Company appointed two new directors.

Risk and Uncertainties

The Company is exposed to a large multitude of risks and uncertainties, which includes, among other factors, the following:

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

The Company's projects are at an early stage of development. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of minerals, metals or resources of value. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal and uranium prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable, producing mines.

Substantial expenditures are required to establish the continuity of mineralized zones through drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company's properties can be obtained on a timely basis.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that the TSX Venture Exchange or any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

Financial Capability and Additional Financing

The Company has limited financial resources and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

Mining Titles

There is no guarantee that the Company's title to or interests in the Company's property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed.

There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties.

In order to retain mining titles, the Company is obligated to perform certain annual work assessment requirements. A failure to perform adequate exploration work on specific mineral tenure claims is, in the absence of cash deposits, expected to result in the loss of such tenure.

Management

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Conflicts of Interest

Certain directors and officers of the Company are, and are expected to continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships, joint ventures and other financial and/or mining interests which are potential competitors of the Company or otherwise adverse in interest. It is understood and accepted by the Company that certain directors and officers of the Company may continue to independently pursue opportunities in the mineral exploration industry. Situations may arise in connection with potential acquisitions, operational aspects, or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies and the particulars of any agreements made between the Company and the applicable director or officer.

Dilution

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment diluted. In addition, if warrants and options are issued in the future, the exercise of such options and warrants may result in dilution to the Company’s shareholders. The Company intends to issue further equity in the future.

History of Losses and No Assurance of Profitable Operations

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

Fluctuating Commodity Prices

The Company’s revenues, if any, are expected to be in large part derived from the sale of commodities. The prices of commodities, including prices related to lithium and uranium, have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply due to new mine developments, mine closures, and advances in various production and technological uses for commodities being explored for by the Company. All of these factors, and other factors not detailed herein, may impact the viability of Company projects, and include factors which are not possible to predict with certainty.

Competitive Conditions

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capabilities. Competition in the mining industry is primarily for mineral properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine for metals, minerals and uranium, but also conduct refining and marketing operations on a world-wide basis and most of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results.

Price Volatility of Publicly Traded Securities

In recent years, North American securities markets have experienced high levels of price and volume volatility, and the market prices of securities of many companies, particularly juniors, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. In addition to risks relating to the Company, share equity positions held by the Company are also subject to market volatility and liquidity challenges that may negatively impact their future market or realizable value.

Inadequate Infrastructure May Affect the Company's Operations

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Contingencies

There are no contingent liabilities.

Forward-Looking Statements

The MD&A, its commentary and the affiliated financial statements contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information include, but are not limited to, statements regarding prospective production, timing and expenditures to develop the Company's projects' resources, grades and recoveries, cash costs per unit, capital and operating expenditures and sustaining capital and the ability to fund development and exploration of the Company's projects. The Company does not intend to, and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others: ability to finance mine development, fluctuations in the prices of uranium, lithium, base meals and other commodities, fluctuations in the currency markets (particularly the Canadian dollar and U.S. dollar); changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada; operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological conditions, pressures, cave-ins and flooding); inadequate insurance, or inability to obtain insurance; availability of and costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, diminishing quantities or grades of mineral reserves as properties are mined; risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.